

Missouri Consolidated Health Care Plan
A Component Unit of the State of Missouri
2014 Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2014

Breakthrough

2014 ANNUAL REPORT



MISSOURI CONSOLIDATED
HEALTH CARE PLAN



www.mchcp.org
800-701-8881

832 Weathered Rock Ct.
PO Box 104355
Jefferson City, MO 65110

BREAKTHROUGH

2014 Annual Report

Missouri Consolidated Health Care Plan
A Component Unit of the State of Missouri
2014 Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2014

Report prepared by Fiscal Affairs Department
Design and artwork by Brian Huddleston

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INTRODUCTION

Determined

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PO Box 104355
Jefferson City, MO 65110
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www.mchcp.org

Judith Muck
Executive Director

LETTER FROM THE
EXECUTIVE DIRECTOR

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It is with great pleasure that I submit the annual report of the Missouri Consolidated Health Care Plan (MCHCP) for the period ended June 30, 2014. MCHCP is a component unit of the state of Missouri for financial reporting purposes and as such, the financial reports are also included in the State of Missouri Comprehensive Annual Financial Report. The financial information presented in this report is the responsibility of management of MCHCP and sufficient internal accounting controls exist to provide a reasonable assurance regarding safekeeping of assets and fair presentation of the financial statements, supporting schedules and statistical tables. Systems and procedures are evaluated, in conjunction with the Board of Trustees, MCHCP management and Internal Audit to provide assurances that internal controls exist and are functioning to promote objectives while minimizing risk. Reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived; the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of material misstatements. The report is also designed to comply with the provisions of section 103.025 of the Revised Statutes of Missouri (RSMO) as amended.

The American poet, Ralph Waldo Emerson once said, "The first wealth is health." At MCHCP, nothing embodies the challenges and opportunities we face more eloquently than this statement. Our focus on a healthy and vibrant MCHCP membership remains our driving force as we continue to pursue comprehensive and affordable coverage to the over 97,000 lives we serve. During the most recent fiscal year ended June 30, 2014, the State of Missouri contributed over \$371 million or approximately 68 percent of revenues to the Plan in the form of employer-sponsored contributions. Member contributions for our state members and retirees totaled over \$138 million while revenues for our public entity enrollment exceeded \$8 million for the period ended June 30, 2014. Medical and pharmacy claims and operations expenditures for our state and public employees exceeded \$518 million for the period. Additional financial information can be found in the management discussion and analysis and financial statements included in this report.



Judith Muck
EXECUTIVE DIRECTOR

Breakthrough, the theme of this report, identifies not only with our member and vendor partnerships but also our dedication to pursue and deliver leading edge technologies to our members. Participation and engagement of our population in their health management remains the cornerstone for impactful change in the trends influencing health and health care costs. Evolving technologies continue to shape member consumerism and the health education of our members. During the open

enrollment period encompassing fiscal year 2014, over 24,000 members utilized our online Informed Enrollment tool, managed through our vendor partner Truven Health Analytics, when selecting their health plan for 2014. The online application utilizes members' historical medical outlay coupled with anticipated utilization to arrive at a recommended plan selection. Members also have access to a cost estimator tool, myHCE, managed through our vendor partner UMR, to provide members the ability to search on certain procedures and find out their potential out-of-pocket costs before seeking care. We are encouraged by our members' interest in advancing technologies that empower insightful decisions regarding their MCHCP health coverage.

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With the Plan year beginning in January 2014, MCHCP introduced a Medicare Prescription Drug Plan (PDP), managed by our vendor partner Express Scripts, Inc., to provide prescription drug coverage to our Medicare-primary members. The Plan's Medicare PDP, coupled with wraparound pharmacy coverage that fills in Medicare coverage gaps, provided a means to keep Medicare-primary premiums stable without sacrificing benefits.

During fiscal year 2014, MCHCP continued support of *Strive for Wellness®* efforts to build upon value-based design by focusing on health awareness. Eligible members completing an individualized health assessment and obtaining preventive lab results from their own provider earned a reduction in their monthly premium. Members could again attest to being tobacco-free or to participate in a tobacco-cessation program as a way to earn another reduction to monthly premium. Members participating in disease management were rewarded with a reduction in some of their pharmacy copayments. MCHCP launched the *Strive for Wellness®* Health Center, a pilot project to bring basic health care to employees enrolled in an MCHCP medical plan right where they work. The new *Strive for Wellness®* Health Center began seeing patients in March 2014 and offers routine care for common illnesses and basic preventive care at hours designed to fit into their hectic workday. Within the first three months of operation, the center had seen over 820 patients who reported a satisfaction rating in excess of 98 percent. We look forward to seeing the results of these efforts as we study the impact these and other emerging programs have on improving the health of our members and in so doing reducing health care cost trend.

Although Missouri's economy continues to show modest growth, some uncertainty still exists as Missouri's net general revenue declined by 1.0% in fiscal year 2014. As funding resources remain challenging, MCHCP stands committed to searching out opportunities in the health care landscape to assist with budget economies.

For the nineteenth year in a row, the MCHCP was pleased to receive the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order

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to qualify, a government unit must publish a report conforming to all GFOA standards. The Certificate of Achievement is valid for a period of one year only. The MCHCP will continue to strive for such recognition with its submission of our current report for consideration to GFOA. Additionally, MCHCP has for the fourth year in a row, received a certificate of excellence in the 2014 American Inhouse Design Awards, sponsored by Graphic Design USA, for our Comprehensive Annual Financial Report (CAFR) and a 2014 Blue Pencil and Gold Screen Award for the rebranding of *Strive for Wellness*®.

This report is a product of the combined efforts of the MCHCP staff and the Board of Trustees. It is intended to provide complete and reliable information as a basis for making management decisions, for determining compliance with legal provisions and for evaluating the condition of the fund. MCHCP has received an unqualified opinion from our independent auditors whose report can be found on pages 24 and 25.

This report is provided to the Governor, the State Auditor, members of the General Assembly, all state agencies, and all participating public entities and is viewable at www.mchcp.org. The cooperation and support of these individuals and agencies help contribute to our success. Also, for the Board of Trustees, I extend my gratitude to the staff. As we pursue Breakthroughs, I conclude with a thought from Winston Churchill, "Healthy citizens are the greatest asset any country can have."

Let's all keep moving and working together.

I welcome your suggestions for the continued success and improvements of your health plan, MCHCP.

Yours in health,

A handwritten signature in black ink, appearing to read "Judith A. Muck". The signature is fluid and cursive, with the first name "Judith" being more prominent and the last name "Muck" following in a similar style.

Judith A. Muck
Executive Director
December 4, 2014



**"HEALTHY
CITIZENS ARE
THE
GREATEST
ASSET ANY
COUNTRY CAN
HAVE."**

- WINSTON CHURCHILL

CERTIFICATE
OF ACHIEVEMENT

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Missouri Consolidated
Health Care Plan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

EXECUTIVE
TEAM



Stacia G. Fischer
CHIEF FISCAL OFFICER

Responsible for preparation of the comprehensive annual financial report, financial statements and records of the Plan, budget, purchasing, banking services, and financial interfaces with outside entities.



Bruce R. Lowe
CHIEF INFORMATION OFFICER

Responsible for the information technology that supports Plan operations. Involved with analyzing and reworking existing business processes, identifying and developing the capability to use new tools, and reshaping the physical infrastructure and network access. Heads the Plan's efforts to integrate information technology into its business plans.



Judith Muck
EXECUTIVE DIRECTOR

By statute, the Executive Director has charge of the offices, records and employees of the Plan, subject to the direction of the board.



Julie Watson
CHIEF WELLNESS OFFICER

Responsible for developing, implementing, and monitoring the Strive for Wellness® Program, and the population health and condition management of Plan members.



Jennifer Stilabower
GENERAL COUNSEL

Represents and advises the Board of Trustees and MCHCP, and is responsible for internal audit and compliance sections.

832 Weathered Rock Court
PO Box 104355
Jefferson City, MO 65110
Phone: 800-701-8881



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www.mchcp.org

Judith Muck
Executive Director

LETTER FROM
THE CHAIRPERSON

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It is my distinct pleasure to present to you, on behalf of the Board of Trustees, the Comprehensive Annual Financial Report for the Missouri Consolidated Health Care Plan (MCHCP).

The changing landscape of employer provided health care and our resolve to continue to provide affordable and comprehensive health care benefits to our membership remain the driving force of our efforts at MCHCP. Large employers, such as the state of Missouri, have tremendous potential in determining health strategies and encouraging behaviors that incorporate best in class benefit design with an eye toward employee engagement and cost containment. One must look no further than MCHCP's collaboration with our membership in wellness initiatives to improve their health outcomes. During fiscal year 2014, MCHCP rebranded our wellness efforts through *Strive for Wellness®*, incorporating both Partnership and Tobacco-Free incentives while encouraging physical activities through email challenges and online resources aimed at instilling healthy behaviors. In March 2014, MCHCP piloted its first on-site health center, the *Strive for Wellness®* Health Center, located in the Truman State Office Building in Jefferson City, Missouri. The Health Center offers our eligible active state employees a convenient alternative for obtaining routine and preventive care services over more costly urgent or emergency care options. As the theme of our 2014 report - Breakthrough - we believe these efforts provide the road map to reaching a healthier MCHCP membership.



Linda Luebbering
CHAIRPERSON

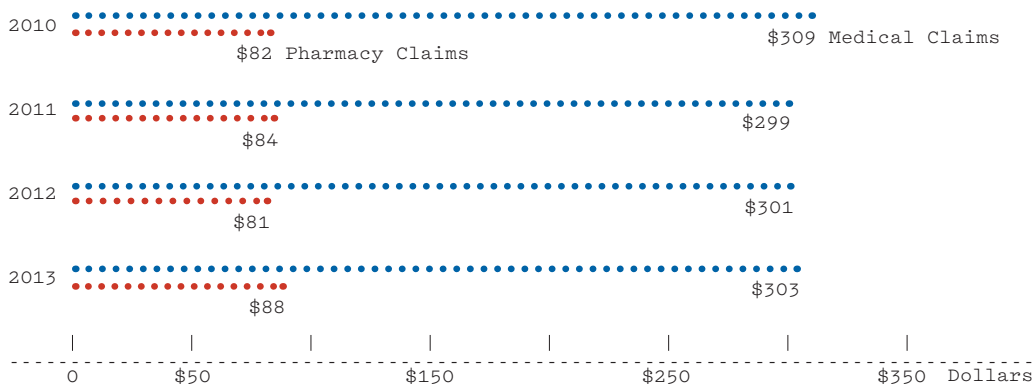
During fiscal year 2014, expenditures for our self-funded medical and pharmacy, and fully-insured medical, dental and vision benefits for state employees were approximately \$482 million; a modest increase of approximately two percent over fiscal year 2013 totals. We understand Breakthroughs don't occur overnight and many engagement initiatives and cost containment strategies require continuous, multi-year efforts to appreciate measurable results. Challenges and opportunities remain, but as reflected in the following chart, costs have remained relatively stable for the periods 2010 through 2013. We know our work must continue.

For the fiscal years ended June 30, 2014, and 2013, the state of Missouri, the employer, remains the largest single source of revenue to the Plan, allowing for plan selections that pay over 85 percent of a member's total health care expenses, excluding premium contributions. We stand committed to developing and maintaining comprehensive benefits while promoting utilization that is cost effective.

CLAIMS PAID MONTHLY

Per Member

Year



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The Board of Trustees values the trust our members place with us to act in the best fiduciary interests of the Plan. The fiscal health of the Plan remained strong in 2014, bolstered by the State's commitment of \$371 million in employer contributions, while members contributed over \$138 million in premiums. Non-operating revenue, primarily return on investment, increased over five million dollars over 2013 results.

We are grateful for the more than 97,000 state and public members we serve and encouraged by their efforts in improving their health. We look forward to the opportunities ahead as we stay focused on our mission of delivering comprehensive and affordable health coverage to our membership. We thank the staff and advisors who have worked so diligently with us throughout the year.

Sincerely,

Linda S. Luebbering
Chairperson
Board of Trustees
December 4, 2014

DURING
OPEN ENROLLMENT 2014,

MEMBER SERVICES
INTERACTED WITH
ALMOST 16,000
MEMBERS

THROUGH
PHONE CALLS, WALK-INS,
myMESSAGES, MEETINGS,
& WEBINARS

PROFESSIONAL
SERVICES

Audit Services

Brown Smith Wallace, LLC
Claim Technologies, Inc.

Banking

Central Bank

Consulting

Towers Watson

Decision Support System

Truven Health Analytics

Dental Program

Delta Dental

Disease Management Program

UMR
Coventry Health Care
of Kansas

Employee Assistance Program

ComPsych

Health Savings Account (HSA)

Central Bank

Medical Third Party Administrator

UMR
Coventry Health Care
of Kansas

Pharmacy Benefit Manager

Express Scripts, Inc.

Vision Program

Vision Service Plan
National Vision Administrators

Wellness Program

StayWell Health Management

BOARD OF
TRUSTEES

16



John M. Huff
Director
Department of Insurance,
Financial Institutions &
Professional Registration
Jefferson City

Ex Officio Member

Committees: Audit, Budget
& Investment, Benefits &
Wellness



Mark A. Langworthy
Senior Director of
Advancement
College of Agriculture,
Food and Natural Resources,
University of Missouri,
Columbia Campus

Governor-Appointed Member



CHAIRPERSON
Linda Luebbering
State Budget Director
Office of Administration
Jefferson City

Governor-Appointed Member

Committees: Audit, Budget
& Investment, Benefits &
Wellness, Personnel



Honorable David Sater
Missouri House of
Representatives
Cassville

Appointed by the President
Pro Tem of the Senate



Honorable Scott Sifton
Missouri Senate
St. Louis County

Appointed by the President
Pro Tem of the Senate



Garry Taylor
Principal Owner
GETCo Consulting Service

Missouri State Retiree,
Jefferson City

Governor-Appointed Member

Committees:
Audit, Budget & Investment



Honorable Kevin McManus
Missouri House of
Representatives
Kansas City

Appointed by the Speaker of
the House of Representatives



Doug Nelson
Commissioner
Office of Administration
Jefferson City

Ex Officio Member

Committee: Appeals



Honorable Caleb Rowden
Missouri House of
Representatives
Columbia

Appointed by the Speaker of
the House of Representatives



Gail Vasterling
Director
Department of Health &
Senior Services
Jefferson City

Ex Officio Member

Committees:
Audit, Budget & Investment,
Benefits & Wellness,
Personnel



Michael Warrick
General Counsel
Department of Agriculture
Jefferson City

Governor-Appointed Member

Committees:
Appeals, Personnel

*Two Governor-Appointed
Members are currently open

SUMMARY OF
PLAN PROVISIONS

VISION

To be recognized and valued by our members as their advocate in providing affordable, accessible, quality health care options.

PURPOSE

Established Jan. 1, 1994, the Missouri Consolidated Health Care Plan (MCHCP) was created to provide health care benefits to most state employees, retirees and their dependents, and public entities within the state that join the Plan.

MISSION

To provide access to quality and affordable health insurance to state and local government employees. We will accomplish this by:

- Consolidating purchasing power and administration to achieve benefits not available to individual employer members
- Creating collaborations to ensure the needs of individual members are understood and met
- Ensuring fiscal responsibility
- Developing innovative delivery options and incentives
- Identifying and contracting with high-value plans
- Maintaining a high-quality and knowledgeable work force

ADMINISTRATION

MCHCP administers medical, dental and vision benefits and an employee assistance program (EAP) for most members of the Missouri State Employees' Retirement System, Judicial Retirement Plan, some members of the Public School Retirement System, legislators, statewide elected officials and eligible public entity members. In addition, dental and vision benefits are available to employees and retirees of the Departments of Conservation and Transportation, and the Missouri State Highway Patrol. EAP benefits are available to active employees.

Missouri statutes provide that the administration of MCHCP be vested in a 13-member Board of Trustees. The Board is composed of:

- The Director of the Department of Health and Senior Services, serving ex officio
- The Director of the Department of Insurance, Financial Institutions and Professional Registration, serving ex officio
- The Commissioner of the state Office of Administration, serving ex officio
- Two members of the Senate, appointed by the President Pro Tem of the Senate
- Two members of the House of Representatives, appointed by the Speaker of the House of Representatives
- Six members appointed by the Governor with the advice and consent of the Senate. Of the six members appointed by the Governor, three shall be citizens of the state of Missouri who are not members of the plan but who are familiar with medical issues. The remaining three members of the Board shall be members of the plan.

The management of MCHCP is the responsibility of the Executive Director, who is appointed by the Board of Trustees and serves at its pleasure.

The Executive Director acts as advisor to the Board on all matters pertaining to MCHCP and, with the approval of the Board, contracts for professional services and employs the staff needed to operate the organization.

MEDICAL PLANS

Preferred Provider Organization (PPO) plans and a Health Savings Account Plan (HSA Plan) are available to all members. Preventive care, including annual physical exams, age-specific screenings and immunizations, is covered at no cost to the member. 19

Preferred Provider Organization (PPO) Plans

MCHCP's PPO plans use a network of preferred providers. A PPO plan allows members to use any provider, but claim reimbursement is higher when utilizing the PPO network.

The PPO plans have network benefits that require a deductible be met before claims are paid at varying percentages based on the PPO plan selected. The out-of-pocket maximum ensures a member's annual medical expenses are capped. One of the PPO plans provides copayments for office, urgent care and emergency room visits. Copayments do not count toward the deductible.

Health Savings Account Plan (HSA Plan)

The HSA Plan offers higher deductibles than most PPO plans but provides a tax-advantaged way to help members save for future medical expenses. Enrollment in an MCHCP-qualified high deductible health plan is required for participation in a Health Savings Account (HSA).

The Internal Revenue Service establishes maximum annual HSA contribution amounts, but there is no limit on the balance of the HSA. MCHCP contributes funds to active state members' HSAs on a bi-annual basis. HSA funds can be used for qualified medical and pharmacy expenses, and deductible and coinsurance amounts.

TRICARE Supplement Plan

MCHCP members with TRICARE, the Department of Defense's health benefit program for the military community, may enroll in the TRICARE Supplement Plan. This plan covers all out-of-pocket costs, including copayments and deductibles, for services covered by TRICARE.

PRESCRIPTION DRUG PLAN

With the exception of the TRICARE Supplement Plan, MCHCP medical plan members who are non-Medicare primary are automatically enrolled in the prescription drug plan. The plan maintains a broad choice of covered drugs and promotes the use of generic drugs. A drug formulary with required prior authorizations, quantity level limits and step therapy ensures members get the safest drugs at the best cost possible.

SINCE
OPENING IN MARCH 2014,
THE *STRIVE FOR WELLNESS*®
HEALTH CENTER
HAS ASSISTED

MORE THAN 800 PATIENTS.

THESE VISITORS
HAVE REPORTED
AN
OVERALL
SATISFACTION RATING
OF 98%

DENTAL PLAN

The dental plan offers a broad network of providers in the state. Preventive care, such as examinations and cleanings, is covered at 100 percent and does not count toward the plan year maximum benefit amount. Additional cleanings are provided for members who are pregnant, diabetic, have a suppressed immune system or have a history of periodontal therapy. The plan also covers fillings, extractions, root canals, bridges, dentures, crowns, the treatment of gum disease and other services with varying deductibles and coinsurance.

VISION PLAN

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The vision plan offers set copayments for services received from network providers and allowances for services obtained from non-network providers. The plan covers examinations, lenses, frames, contact lenses and corrective laser surgery. Members can receive discounts on additional glasses and sunglasses from any provider within 12 months of an eye exam.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

The EAP is a confidential counseling and referral service that can help employees and their families deal with life's challenges. EAP services are available at no cost to all active state employees and members of their households.

The program can help with issues such as stress, parenting, alcohol and drug abuse, marital problems, anxiety, depression, legal and financial concerns, identity theft and consumer fraud protection.

STRIVE FOR WELLNESS® PROGRAM

MCHCP's *Strive for Wellness*® program responds to the health status of our population by focusing on helping employees understand health risks, make smart lifestyle choices, encouraging preventive screenings, and empowers them to take an active role in their health. Employees have access to a robust wellness program that provides health-related services, activities and information. Weekly email messages contain expert advice from registered dietitians on wellness-related topics.

Each state agency has a Wellness Ambassador to organize on-site activities and services for fellow employees. The addition of Building Wellness Teams in regions located outside of the capitol complex is opening up wellness opportunities for employees statewide.

The *Strive for Wellness*® program also offers premium incentives and telephonic health coaching to medical plan participants who meet specific health goals throughout the year. Members receive additional premium reductions for taking a yearly Health Assessment and having their health care provider fill out a form at their annual physical. Members and their spouses can both receive premium reductions for being tobacco-free or agreeing to participate in a tobacco cessation program.

Wellness encompasses more than just physical health – it extends into all facets of one's life. These facets are interconnected, and wellness means bringing them into a successful balance to improve quality of life.

Disease Management Program

The Disease Management program encourages members with chronic conditions, such as diabetes and high blood pressure, to participate in a nurse coaching program. Members learn new ways to control their conditions, and avoid health crises and relapses that can lead to emergency room visits. Nurses may communicate with a member's health care provider to provide support between office visits. Qualified members who are engaged in the disease management program also enjoy reduced non-formulary prescription copayments.

Velocity

FINANCIAL

REPORT OF
INDEPENDENT AUDITORS



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A MEASURABLE DIFFERENCE™

Independent Auditor's Report

Board of Trustees
Missouri Consolidated Health Care Plan
Jefferson City, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of each of the two major funds of Missouri Consolidated Health Care Plan (the "Plan") as of and for the fiscal years ended June 30, 2014 and 2013, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND AN INDEPENDENT FIRM
ASSOCIATED WITH THE NORTH AMERICAN REGION OF MOORE STEPHENS INTERNATIONAL LIMITED
KNOWN INTERNATIONALLY AS MOORE STEPHENS BROWN SMITH WALLACE, LLC

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund of the Plan as of June 30, 2014 and 2013, and the respective changes in financial position and cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplemental Information

U.S. generally accepted accounting principles require management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with generally accepted auditing standards in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Introductory and Statistical Sections

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's financial statements as a whole. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements. These sections have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

St. Louis, Missouri
December 4, 2014

Brown Smith Wallace, LLC

MANAGEMENT'S
DISCUSSION & ANALYSIS

This section of the annual financial report provides an overview and analysis of the financial activities of the Missouri Consolidated Health Care Plan (MCHCP) for the fiscal years ended June 30, 2014 through 2012. We encourage you to consider the information presented here in conjunction with additional information presented in the basic financial statements which follow this section.

Fiscal year ended June 30, 2014 became the seventh year of presentation for the adoption of the provisions of Governmental Accounting Standards Board (GASB) Statement #43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Implementation was not required until fiscal year 2008 because MCHCP previously accounted and reported for its activities under GASB #10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. GASB #10 was amended by GASB #45 but remained in effect for accounting for healthcare benefits to retirees until the effective date of GASB #45. Thus, GASB #45 was effective for MCHCP's fiscal year ended June 30, 2008.

As a result of implementation, MCHCP created a separate fiduciary trust fund (State Retiree Welfare Benefit Trust or SRWBT) to handle the post-employment benefits for state employees. Prior to that time, the Internal Service Fund (ISF) of MCHCP handled the activity of both active and retired participants. For the current fiscal year, even though there was no significant change from an operational aspect, the net position and activity related to active participants is reported in the ISF and the net position and activity related to retired participants is reported in the SRWBT in the accompanying financial statements.

FUND ACCOUNTING

Funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MCHCP, like other discretely presented component units of the State of Missouri (as defined by GASB Statement #14), uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are three categories available for governmental accounting: governmental funds, proprietary funds and fiduciary funds. The ISF is considered to be a proprietary fund while SRWBT is classified as a fiduciary fund. MCHCP does not have any governmental funds.

Proprietary funds

Proprietary funds account for governmental operations that are designed to be self-supporting from fees charged to consumers for the provision of those goods and services or where the government has decided that the periodic determination of revenues, expenses, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The accounting and financial reporting practices of proprietary funds are similar to those used for business enterprises and focus on capital maintenance and the flow of

economic resources through the use of accrual accounting. Of the two types of proprietary funds, MCHCP maintains one type: internal service fund. Internal service funds account for the financing of goods or services provided by one governmental department or agency to another and are expected to be self-supporting through charges to users. MCHCP's purpose is to provide medical insurance benefits to the State of Missouri's and other participating Missouri public entities' employees, retirees, and their dependents.

Fiduciary funds

Fiduciary funds account for assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the government's own programs. Fiduciary fund accounting is similar to that used for proprietary funds. The purpose of the SRWBT is to provide health and welfare benefits for the exclusive benefit of current and retired employees of the State and their dependents who meet eligibility requirements, except for those retired members covered by other post employment benefit (OPEB) plans of the State. 27

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Plan's basic financial statements. Typically, governmental financial statements would be presented as three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. However, because the Plan has only proprietary and fiduciary funds, government-wide financial statements are not presented. Proprietary funds present financial statement information in the same manner as government-wide financial statements only with more detail, and government-wide financial statements would be repetitive. In addition, fiduciary funds are not reflected in government-wide financial statements because the resources of that fund are not available to support MCHCP's own programs.

MCHCP presents the ISF and SRWBT on separate fund financial statements. For the ISF, the basic financial statements are comprised of the Statement of Plan Net Position; the Statement of Revenues, Expenses and Change in Net Position; and the Statement of Cash Flows. For SRWBT, the basic financial statements are comprised of the Statement of Plan Net Position and the Statement of Changes in Plan Net Position. The Notes to the Financial Statements are also part of the basic financial statements and apply to both the ISF and SRWBT. The financial statements are prepared on the accrual basis in accordance with U.S. generally accepted accounting principles applicable to governmental benefit plans.

The Statement of Plan Net Position present MCHCP's financial position as of the end of the fiscal year for each fund. Information is displayed as assets and liabilities, with the difference between the two reported as net position or deficit. The net position of MCHCP reflect the resources available as of the end of the fiscal year to pay benefits to members when due. Over time, increases and decreases in net position measure whether MCHCP's financial position is improving or deteriorating.

The Statement of Revenues, Expenses and Change in Net Position and the Statement of Changes in Plan Net Position present information detailing

the revenues and expenses that resulted in the change in net position that occurred during the current fiscal year. All revenues and expenses are reported on an accrual basis. This means that the revenue or expense is recognized as soon as the underlying event giving rise to the change occurs, regardless of when the actual cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods. For example, contributions due from a public entity, even though not yet paid by year end, will be reflected as revenue. Likewise, claims that occurred during the fiscal year under self-funded plans will be reflected as an expense, whether or not they have been paid as of the end of the fiscal year.

The Statement of Cash Flows presents the cash inflows and outflows of the ISF categorized by operating, capital and related financing, and investing activities. It reconciles the beginning and end of year cash balances contained in the Balance Sheet. The effects of accrual accounting are adjusted out and noncash activities, such as depreciation, are removed to supplement the presentation in the Statement of Revenue, Expenses and Change in Net Position. A statement of cash flows is not required for the SRWBT.

The Notes to Financial Statements follow the above basic financial statements and provide additional information that is essential to a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS

The following tables present summarized financial position and results for the fiscal years ending June 30, 2014, 2013, and 2012. Additional details are available in the accompanying basic financial statements.

STATEMENT OF PLAN NET POSITION

Internal Service Fund

	<u>2014</u>	2013	2012
ASSETS			
Current assets	\$215,079,048	\$201,899,611	\$183,787,305
Capital assets	249,401	303,274	344,762
Total assets	\$215,328,449	\$202,202,885	\$184,132,067
LIABILITIES & NET POSITION			
Accrued medical claims & fees	\$38,215,392	\$36,731,697	\$40,696,169
Deferred premiums & other liabilities	33,511,433	35,042,903	42,639,991
Total current liabilities	\$71,726,825	\$71,774,600	\$83,336,160
NET POSITION			
Unrestricted	\$143,351,534	\$130,165,565	\$100,539,626
Invested in capital assets, net of related debt	250,090	262,720	256,281
Total net position	143,601,624	130,428,285	100,795,907
<u>TOTAL LIABILITIES & NET POSITION</u>	<u>\$215,328,449</u>	<u>\$202,202,885</u>	<u>\$184,132,067</u>

Current assets for the ISF have increased for each of the years ended June 30, 2014, 2013, and 2012 primarily due to changes in cash and cash equivalents as a result of positive results from operating activities.

Capital asset activity has been minimal as operations have not changed significantly during the years presented.

Accrued medical claims and fees increased for the ISF for the year ended June 30, 2014 over 2013, due primarily to an increase in the IBNR (incurred but not reported) estimate related to the current pattern of expected medical claims expenditures. Health risk profiles of plan participants remained relatively stable for the period. Additionally, the Plan realized slightly over a half percent increase in enrollment at fiscal year ended June 30, 2014 over 2013. Accrued medical claims and fees for the SRWBT decreased for the year ended June 30, 2014 over 2013, primarily due to a decrease in the IBNR (incurred but not recorded) estimate and the risk

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STATEMENT OF
PLAN NET POSITION

State Retiree Welfare Benefit Trust

		<u>2014</u>	2013	2012
ASSETS				
	Cash and cash equivalents	\$5,926,996	\$2,712,108	\$4,239,441
	Due from MCHCP	12,940,458	13,021,176	15,633,758
	Investments, at fair value	92,664,440	84,504,121	76,407,124
RECEIVABLES				
	Prescription drug rebates	3,377,285	900,913	1,255,081
	Retiree drug subsidy	-	1,150,850	1,389,733
	Other receivables	303,703	260,287	307,689
	Total receivables	3,680,988	2,312,050	2,952,503
	TOTAL ASSETS	\$115,212,882	\$102,549,455	\$99,232,826
LIABILITIES				
	Accrued medical claims & capitation fees	\$8,108,000	\$8,569,000	\$10,052,000
	Deferred revenue	3,716,579	4,202,385	5,314,127
	Other liabilities	1,115,879	249,791	267,631
	TOTAL LIABILITIES	\$12,940,458	\$13,021,176	\$15,633,758
	<u>NET POSITION, HELD IN</u>	<u>\$102,272,424</u>	\$89,528,279	\$83,599,068
	<u>TRUST FOR OTHER</u>			
	<u>POST-EMPLOYMENT BENEFITS</u>			

profiles and claims payment patterns of the third party administrators. Accrued medical claims and fees at June 30, 2012 for the ISF was indicative of active enrollment of approximately 1 percent higher than in 2013 and approximately 2 percent lower for retirees in the SRWBT coupled with medical trend expectations.

Deferred premium revenues for the periods ended June 30, 2014, 2013 and 2012 are influenced by the State's contribution at June 30th for each of the years ended and the level of contribution applicable to the receipt. For both the ISF and SRWBT, deferred premiums totaled \$21,233,796 at June 30, 2014, a decrease over the previous fiscal year ended 2013, due

IN
FISCAL YEAR 2014,
71% OF SUBSCRIBERS

SELECTED TO RECEIVE THEIR
COMMUNICATION
FROM MCHCP
ELECTRONICALLY,

SAVING AN ESTIMATED
\$51,000
IN PRINTED MATERIALS

primarily to the State's contribution at June 30, 2014. Although no funds were available for application during the fiscal years ended June 30, 2014 and 2013, during fiscal year 2012, the MCHCP applied for and received \$6,242,377, from the Early Retiree Reinsurance Program (ERRP). The Early Retiree Reinsurance Program was authorized by the Patient Protection and Affordable Care Act.

Funds in the amount of \$5,827,547 and \$2,975,381, respectively were utilized to offset member premiums for the years ended June 30, 2013 and 2012, leaving approximately \$2.8 million deferred for future periods.

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Deferred premiums and other liabilities are most significantly influenced by the state's payroll cycle and the timing of receipt of premium payments to MCHCP prior to the effective date of coverage. SRWBT deferred revenues are composed of premium deductions from retiree benefit checks received from MOSERS prior to the effective month of coverage.

State/Employer contributions for fiscal years 2014, 2013 and 2012 for both the ISF and the SRWBT totaled \$371,011,582, \$370,313,220, and \$376,894,548. Funding for the years represented are attributable to the State's appropriation to fund the claims costs and operations expense attributable to State employee health benefits. Ultimately, claims costs for state employees are backed by the State of Missouri should State/Employer contributions not be sufficient to cover claims needs.

CONDENSED STATEMENT OF REVENUE,
EXPENSES & CHANGE IN NET POSITION

Internal Service Fund

OPERATING REVENUES		2014	2013	2012
	State/employer contributions	\$314,696,927	\$316,307,501	\$319,804,444
	State employee/member contributions	87,402,560	90,793,617	89,797,753
	Public entity contributions	8,234,207	8,215,776	8,492,621
	Subcontractor & other rebates	7,684,071	4,256,453	5,375,360
	TOTAL OPERATING REVENUES	\$418,017,765	\$419,573,347	\$423,470,178
OPERATING EXPENSES				
	Medical claims & capitation expense	\$398,471,874	\$383,281,365	\$381,291,864
	General & administration expense	7,250,492	7,096,513	5,983,130
	TOTAL OPERATING EXPENSES	\$405,722,366	\$390,377,878	\$387,274,994
	Operating income	12,295,399	29,195,469	36,195,184
	Investment income & other changes	877,940	436,909	853,463
	Excess of revenues over expenses	\$13,173,339	\$29,632,378	\$37,048,647
	Net position, beginning of the year	130,428,285	100,795,907	63,747,260
	<u>NET POSITION, END OF THE YEAR</u>	<u>\$143,601,624</u>	\$130,428,285	\$100,795,907

Member contributions for the ISF and SRWBT for the years ended June 30, 2014, 2013 and 2012, are influenced primarily by total enrollment, the mix of enrollment and the relative plan design for the respective years.

Public entity enrollment at June 30, 2014, decreased approximately four percent over enrollment at June 30, 2013, although public entity contributions remained relatively stable due to the mix of enrollment for the year. Contributions for the three years ended June 30, 2014, 2013 and 2012 were \$8,234,207, \$8,215,776, and \$8,492,621, respectively.

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Beginning January 1, 2006, Medicare prescription drug coverage was made available to all people with Medicare, regardless of income, health status, or current health care. Because the prescription drug coverage offered by MCHCP was actuarially considered, on average for all plan participants to be at least as good as standard Medicare coverage, members were encouraged to keep their MCHCP coverage. Beginning in calendar year 2014, MCHCP is participating in a Medicare Prescription Drug Plan to provide coverage to Medicare-primary retirees and dependents. The program anticipates greater savings to the employer over the retiree drug subsidy (RDS). During fiscal years 2014, 2013 and 2012 the SRWBT received \$6,849,482, \$7,083,186, and \$8,276,097 in subsidy payments for both the retiree drug subsidy and other rebates, respectively.

Wellness and disease management programs are incorporated in an effort to promote healthy member outcomes and for cost containment measures. Operating expenses and vendor costs remained relatively stable and fluctuations were primarily mitigated due to competitive procurement for third party administrator services and influenced by technology and automation in Plan operations. For the years ended June 30, 2014 through 2012, the disease management costs are included in the monthly third party administrator fees paid to the administrator. Self-funded health care costs for the period ended June 30, 2014, 2013 and 2012 for the ISF and the SRWBT totaled \$459,789,298, \$436,237,514, and \$421,935,029, respectively.

Fluctuations in self-funded expenditures for the periods ended June 30, 2013, 2012, and 2011, are reflective of enrolled populations and the mix and related medical trend in both medical and pharmacy costs. Moderate increases associated with self funded expenditures are indicative of the attention to health risk profiles of the MCHCP population, and management initiatives surrounding wellness, while continuing to expand education and awareness with wellness ambassadors and pilot programs within workforces to encourage and promote healthy lifestyles and benefit utilization. In March of 2014, the Plan launched the *Strive for Wellness®* Health Center as an additional effort to promote appropriate utilization, provide members with additional access to services, while continuing to pursue avenues for cost containment.

Claims administrative service costs are based on the enrollment in self-funded options for the periods of 2014 through 2012.

MCHCP's cash is invested conservatively in overnight repurchase agreements to preserve principal and maintain liquidity. In addition,

STATEMENT OF CHANGE
IN PLAN NET POSITION

State Retiree Welfare Benefit Trust

ADDITIONS		<u>2014</u>	2013	2012	
Employer contributions		\$56,314,655	\$54,005,719	\$57,090,104	
Retiree contributions		50,921,465	51,217,932	50,832,210	
Investment income		11,790,754	6,882,517	3,491,526	
Retiree drug subsidy & other rebates		6,849,482	7,083,186	8,276,097	
TOTAL ADDITIONS		\$125,876,356	\$119,189,354	\$119,689,937	33
DEDUCTIONS					
Medical claims & capitation expense		\$105,340,449	\$106,638,547	\$109,968,530	
Claims administration services		5,110,073	3,996,858	3,764,844	
Administration & other		2,681,689	2,624,738	2,577,353	
TOTAL DEDUCTIONS		\$113,132,211	\$113,260,143	\$116,310,727	
Net increase		12,744,145	5,929,211	3,379,210	
<u>Net position held in trust for other post-employment benefits</u>					
Beginning of year		89,528,279	83,599,068	80,219,858	
<u>END OF YEAR</u>		<u>\$102,272,424</u>	\$89,528,279	\$83,599,068	

the Plan utilizes a master investment policy and instruments are predicated on an asset allocation model approved by the Board of Trustees. Investment income for the ISF and SRWBTC consists of interest income, unrealized gains and losses in fair value, accretion of discounts, and amortization of premiums. Investment income for the ISF and the SRWBTC was realized in the amount of \$12,668,694 for 2014, \$7,312,449 for 2013, and \$4,344,989 for 2012, and is predicated on the availability of investable assets and the economic conditions influencing market conditions.

MCHCP's actuary reviews the financial assets of MCHCP in conjunction with obligations and the funding available as provided by the Missouri General Assembly. Due to economic conditions facing the State, the MCHCP, members of the General Assembly, and the State's Office of Budget and Planning meet regularly to discuss funding needs and projected claims expenditures in an effort to develop funding levels for the Plan. Ultimately, the funding of claims costs are backed by the State of Missouri should contributions be unable to meet claims obligations.

SUMMARY

During the years presented, MCHCP faced a tightened State budget, which compelled it to continue to pursue opportunities in cost containment, member engagement in healthy outcomes and changes in benefit design. Combined with expected continued escalation in health care costs, MCHCP faces significant challenges in an effort to provide affordable health care coverage to its members. As a result, MCHCP has explored a full range of viable options to accommodate the State budget, including changes in benefit design, modifications in copayments, deductibles, and premiums, and the evaluation of provider networks. Wellness and disease

management programs are the progressive instrument to continue to foster healthier outcomes and reduce claims expenditures. MCHCP's wellness incentives are designed to incorporate and promote best in class initiatives. The overall financial position of MCHCP is reliant upon state funding, cost containment and comprehensive benefits review of the self-funded programs to promote a healthier membership in MCHCP.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of MCHCP's financial position for all those with an interest in MCHCP. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Missouri Consolidated Health Care Plan, 832 Weathered Rock Court, PO Box 104355, Jefferson City, Missouri 65110-4355.

STATEMENT OF
PLAN NET POSITION

Internal Service Fund
as of June 30, 2014 & 2013

ASSETS		
<u>Current Assets</u>	2014	2013
Cash & cash equivalents	\$175,047,001	\$163,958,663
Investments, at fair value	36,927,776	36,098,581
Rebates & other receivables	2,995,525	1,736,386
Prepaid expenses	108,746	105,981
TOTAL CURRENT ASSETS	\$215,079,048	\$201,899,611
<u>Capital Assets</u>		
Furniture, fixtures & equipment, net of accumulated depreciation of \$2,446,505 and \$2,549,467, respectively	249,401	303,274
TOTAL ASSETS	\$215,328,449	\$202,202,885
LIABILITIES & NET POSITION		
Accrued medical claims & capitation fee expense	\$38,215,392	\$36,731,697
Accounts payable & accrued expenses	3,053,758	675,362
Due to SRWBT	12,940,458	13,021,176
Deferred premium revenue	17,517,217	21,346,365
TOTAL CURRENT LIABILITIES	\$71,726,825	\$71,774,600
<u>Net Position</u>		
Unrestricted	\$143,351,534	\$130,165,565
Net investment in capital assets	250,090	262,720
Total net position	143,601,624	130,428,285
<u>TOTAL LIABILITIES AND NET POSITION</u>	<u>\$215,328,449</u>	\$202,202,885

The accompanying notes are an integral part of the financial statements.

STATEMENT OF REVENUES, EXPENSES
& CHANGE IN NET POSITION

Internal Service Fund,
years ended June 30, 2014 & 2013

OPERATING REVENUES	<u>2014</u>	2013
State/employer contributions	\$314,696,927	\$316,307,501
Member contributions	87,402,560	90,793,617
Public entity contributions	8,234,207	8,215,776
Pharmacy rebates	7,684,071	4,256,453
TOTAL OPERATING REVENUES	\$418,017,765	\$419,573,347
OPERATING EXPENSES		
Medical claims & capitation expense	\$384,618,997	\$372,475,046
Claims administration services	13,852,877	10,806,319
Payroll & related benefits	3,256,596	2,956,116
Health management	1,321,792	1,306,988
Administration	853,988	1,027,846
Professional services	1,239,582	1,219,526
Employee Assistance Program	578,534	586,037
TOTAL OPERATING EXPENSES	\$405,722,366	\$390,377,878
Operating revenues over operating expenses	12,295,399	29,195,469
NON-OPERATING REVENUES		
Investment & other income	877,940	436,909
Change in net position	\$13,173,339	\$29,632,378
Net position, beginning of year	130,428,285	100,795,907
<u>NET POSITION, END OF YEAR</u>	<u>\$143,601,624</u>	\$130,428,285

The accompanying notes are an integral part of the financial statements.

STATEMENT OF
CASH FLOWS

Internal Service Fund,
years ended June 30, 2014 & 2013

CASH FLOWS

	<u>2014</u>	2013	
Cash flows from operating activities			
Cash received from State, employer, members & public entities	\$412,929,478	\$416,065,267	
Cash payments for medical claims & capitation fee payments	(383,135,302)	(376,439,517)	
Cash payments to employees for services	(3,256,596)	(2,956,116)	37
Cash payments to other suppliers of goods & services	(15,274,339)	(14,833,265)	
Net cash provided by operating activities	11,263,241	21,836,369	
Cash flows from noncapital financing activities			
Changes in amounts due to SRWBT	(80,718)	(2,612,582)	
Cash flows from capital & related financing activities			
Purchase of furniture, fixtures & equipment	(142,931)	(142,651)	
Cash flows from investing activities			
Cash received from investment income; net of investment expenses	856,795	30,115	
Purchases of investments	(12,402,757)	(16,105,963)	
Proceeds from investments	11,594,708	15,331,135	
Net cash provided (used) by investing activities	48,746	(744,713)	
Net increase in cash & cash equivalents	11,088,338	18,336,423	
Cash & cash equivalents, beginning of year	163,958,663	145,622,240	
<u>CASH & CASH EQUIVALENTS, END OF YEAR</u>	<u>\$175,047,001</u>	\$163,958,663	
Reconciliation of operating revenues over operating expenses to net cash provided by operating activities			
Operating revenues over operating expenses	12,295,399	29,195,469	
ADJUSTMENTS			
Adjustments to reconcile operating revenues over operating expenses to net cash provided by operating activities			
Depreciation	\$196,804	\$184,139	
Changes in assets & liabilities			
Rebates & other receivables	(1,259,140)	1,390,069	
Prepaid expenses	(2,765)	15,667	
Accrued medical claims & capitation fees	1,483,695	(3,964,470)	
Accounts payable & accrued expenses	2,378,396	(86,355)	
Deferred premium revenue	(3,829,148)	(4,898,150)	
Total adjustments	(1,032,158)	(7,359,100)	
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>\$11,263,241</u>	\$21,836,369	
Noncash investing, capital & financing activities			
Change in fair value of investments	(147,630)	362,470	

The accompanying notes are an integral part of the financial statements.

STATEMENT OF
PLAN NET POSITION

State Retiree Welfare Benefit Trust

		<u>2014</u>	2013
ASSETS			
	Cash & cash equivalents	\$5,926,996	\$2,712,108
	Due from MCHCP	12,940,458	13,021,176
	<u>Investments, at fair value</u>		
	Mutual Funds	22,768,663	21,270,992
	Equities	18,363,997	20,272,472
	Corporate	15,026,283	14,358,210
	Collateralized Mortgage Obligations	20,336,643	12,067,386
	U.S. Government Guaranteed Mortgages	7,121,155	9,462,737
	U.S. Agencies	6,619,502	5,212,224
	Equities (Pfd.)	2,428,197	1,860,100
	TOTAL INVESTMENTS	\$92,664,440	\$84,504,121
	<u>Receivables</u>		
	Prescription drug rebates	\$3,377,285	\$900,913
	Retiree drug subsidy	-	1,150,850
	Other receivables	303,703	260,287
	Total receivables	3,680,988	2,312,050
	TOTAL ASSETS	\$115,212,882	\$102,549,455
LIABILITIES			
	Accrued medical claims & capitation fees	\$8,108,000	\$8,569,000
	Deferred revenue	3,716,579	4,202,385
	Other liabilities	1,115,879	249,791
	Total liabilities	\$12,940,458	\$13,021,176
	<u>NET POSITION, HELD IN TRUST FOR</u>	<u>\$102,272,424</u>	\$89,528,279
	<u>OTHER POST-EMPLOYMENT BENEFITS</u>		

STATEMENT OF CHANGE
IN PLAN NET POSITION

State Retiree Welfare Benefit Trust

		<u>2014</u>	2013
ADDITIONS			
Employer contributions		\$56,314,655	\$54,005,719
Retiree contributions		50,921,465	51,217,932
Investment income		11,790,754	6,882,517
Retiree drug subsidy & other rebates		6,849,482	7,083,186
TOTAL ADDITIONS		\$125,876,356	\$119,189,354
DEDUCTIONS			
Medical claims & capitation expense		\$105,340,449	\$106,638,547
Claims administration services		5,110,073	3,996,858
Administration & other		2,681,689	2,624,738
TOTAL DEDUCTIONS		\$113,132,211	\$113,260,143
Net increase		12,744,145	5,929,211
<u>Net position held in trust for other</u>			
<u>post-employment benefits</u>			
Beginning of year		89,528,279	83,599,068
<u>END OF YEAR</u>		<u>\$102,272,424</u>	\$89,528,279

NOTES TO
FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Missouri Consolidated Health Care Plan (the Plan) was statutorily created and organized on Jan. 1, 1994, with the purpose of providing medical insurance benefits to the State of Missouri's (State) employees, retirees and their dependents as well as other Missouri public entity employees, retirees and their dependents. Prior to 1994, medical insurance benefits for the State's employees, retirees and their dependents were provided by Missouri State Employees' Retirement System (MOSERS) medical care plan. On Jan. 1, 1994, through a transfer agreement between the Plan and MOSERS, all MOSERS-related medical care plan assets and liabilities were transferred to the Plan.

The Plan currently has approximately 96,000 active and retired State members and dependents, 1,213 public entity members and dependents, and more than 97,000 covered lives, and is funded through both employer and employee contributions. Through December 31, 1994, all Plan members were State employees, retirees and their dependents. Beginning January 1, 1995, additional members included public entity employees, retirees and dependents.

State contribution rates are based on the State's approved appropriation and the number of anticipated participants. State employee and public entity contribution rates are established by the Plan's Board of Trustees based on contractor bids for the plan year and budgeted employer contributions.

Governmental Accounting Standards Board (GASB) has two statements related to accounting and reporting for post employment benefits other than pensions (OPEB): GASB No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, which was first effective for certain governments with fiscal years beginning after December 15, 2006, and GASB No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, which was generally first effective one year prior to the effective dates of GASB No. 45.

MCHCP is a risk pool and administers an "agent multiple employer plan" because each employer remains individually responsible for financing its own commitment to provide benefits to its participants, including any eligible retirees. During the fiscal year ended June 30, 2008, MCHCP implemented the provisions of GASB Statement No. 43. As a result of implementation, MCHCP created a separate fiduciary trust fund (State Retiree Welfare Benefit Trust, or SRWBT) to handle the post-employment benefits for State employees.

SRWBT was established and organized on June 27, 2008, pursuant to the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178 to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the State and their dependents who meet eligibility requirements except for those retired

members covered by other post-employment benefit (OPEB) plans of the State. The SRWBT is considered a cost-sharing multiple employer plan because it covers various State agencies and legally separate component units. It is administered by Plan staff under the direction of the Plan Board of Trustees. The SRWBT does not issue a separate audited financial report.

Beginning June 30, 2009, the net position and activity related to active participants are reported in the Internal Service Fund (ISF), and the net position and activity related to retired participants are reported in the SRWBT in the accompanying financial statements. In the following footnotes, the term "the Plan" refers to both the ISF and SRWBT. Disclosures that are specific to the ISF or SRWBT are separately noted.

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The Plan is considered a part of the State's financial reporting entity and is included in the State's financial reports as a component unit. As the Plan is considered a political subunit of the State and provider of essential governmental services, it is not subject to federal income taxes, nor to the provisions of the Employee Retirement Income Security Act of 1974. The Plan is administered according to Missouri statutes. These statutes do not include a provision for the termination of the Plan.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FOR
FISCAL YEAR
2014, THE
STATE OF MISSOURI
REMAINS THE LARGEST
SINGLE SOURCE OF REVENUE
TO THE PLAN ALLOWING
FOR

PLAN SELECTIONS
THAT PAY MORE THAN
85% OF

MEMBERS TOTAL
HEALTH CARE
EXPENSES EXCLUDING
PREMIUM CONTRIBUTIONS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

The financial statements of the ISF are intended to present the financial position and the changes in cash flows of only that portion of the activities attributable to the transactions of the ISF. The ISF is accounted for as a proprietary fund.

The Plan's financial statements for the ISF were prepared using the accrual basis of accounting, in accordance with GAAP, as prescribed by the Governmental Accounting Standards Board (GASB). GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, establishes the GAAP hierarchy for proprietary funds. The statement requires that proprietary activities apply to all applicable GASB pronouncements. The Plan implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position for the fiscal year ended June 30, 2013. The objective of the statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Plan must also apply Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before Nov. 30, 1989, to the extent that they do not conflict with GASB pronouncements.

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The financial statements of the SRWBT are intended to present the financial position and the changes in cash flow of only that portion of the activities attributable to the transactions of the SRWBT. Benefits and refunds of the SRWBT are recognized when due and payable in accordance with the terms of the plan. The SRWBT is accounted for as a fiduciary fund. Accordingly, the financial statements are prepared using the accrual basis of accounting in conformity with GAAP.

B. METHOD USED TO VALUE INVESTMENTS

Investments are reported at fair value on a trade-date basis with changes in fair value recorded in investment income on the statement of revenues, expenses and change in net position. Investments are recorded at fair value as determined by quoted market price, when available, or estimated fair value when not available. Many factors are considered in arriving at that fair market value. In general, however, bonds and mortgages are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Realized gains and losses are based on the specific identification basis. The calculation of realized gains and losses is independent of the calculation of the change in net unrealized gains and losses.

C. DEPOSITS & INVESTMENTS

The Plan considers all highly liquid investments, readily convertible into cash with original maturities of three months or less, to be cash equivalents.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Plan would not

be able to recover deposits or collateral securities in the possession of an outside party. In an effort to mitigate custodial credit risk, the Plan requires the bank to sweep the accounts each night into overnight repurchase agreements for which the underlying securities must be of the type approved by the State. All remaining cash balances are to be insured or appropriately collateralized.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the transaction, the Plan would not be able to recover the value of investments or collateral securities in the possession of an outside party. The Plan does not have a formal policy regarding custodial credit risk. However, the bank acting as the investment manager has been approved by the Plan's Board of Trustees.

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Deposits

Cash balances represent operating bank account balances. To maximize investment income, the float caused by outstanding checks is invested in overnight repurchase agreements, thus causing a negative carrying value.

At June 30, 2014, cash held in the financial institution had a bank balance of \$84,946 and a carrying value of (\$11,903,977). Of the bank balance, \$84,946 was covered by federal depository insurance. The remaining \$192,877,973 of cash and cash equivalents are held in repurchase agreements and fully collateralized with securities held by a third-party financial institution in the Plan's name.

At June 30, 2013, cash held in the financial institution had a bank balance of \$56,945 and a carrying value of (\$13,006,142). Of the bank balance, \$56,945 was covered by federal depository insurance. The remaining \$179,676,913 of cash and cash equivalents are held in repurchase agreements and fully collateralized with securities held by a third-party financial institution in the Plan's name.

The Plan's contracted yield on its overnight repurchase agreements was 13 and 22 basis points above the prevailing 91-day U.S. Treasury Bill rate as of June 30, 2014 and 2013, respectively.

Investments

In December 2005, the Plan adopted a revised investment policy to maximize investment earnings for the ISF. The Plan's investment policy for the ISF is predicated on the primary objectives of safety, liquidity, and yield, in order of priority. Investments in bankers' acceptances and commercial paper are required to mature and become payable not more than 180 days from the date of purchase. All other investments are required to mature and become payable not more than five years from the date of purchase. The weighted average life should not exceed three years and should be consistent with the investment objectives.

The Board of Trustees, in July 2009, adopted an asset allocation model for the SRWBT that implemented a moderate investment approach allocating 33 percent to equities. This approach was approved to steadily increase the exposure of the SRWBT to higher return asset classes over time. Exposure to equities will be through a combination of actively managed

index funds and/or exchange traded funds that are highly rated and reviewed regularly. Allocations are back-tested, and future assets are projected in all models.

The Plan follows the “prudent person” rule for investment decisions. Essentially, the Plan operates as a prudent person acting in a like capacity and familiar with similar matters would act in the conduct of an enterprise of a like character and with like aims. Any person with fiduciary responsibilities with respect to the Plan is covered by this “prudent person” rule. As of June 30, 2014 and 2013, the Plan had the following investments as presented below.

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INVESTMENTS

Internal Service Fund

	<u>2014</u>	<u>2013</u>
INVESTMENTS	<u>Market Value</u>	<u>Market Value</u>
U.S. Agencies	\$20,535,911	\$20,759,229
U.S. Government Guaranteed Mortgages	820,883	27,255
U.S. Treasury	15,570,982	15,312,097
<u>TOTAL INVESTMENTS</u>	<u>\$36,927,776</u>	<u>\$36,098,581</u>

INVESTMENTS

State Retiree Welfare Benefit Trust

	<u>2014</u>	<u>2013</u>
INVESTMENTS	<u>Market Value</u>	<u>Market Value</u>
U.S. Agencies	\$6,619,502	\$5,212,224
U.S. Government Guaranteed Mortgages	7,121,155	9,462,737
Corporate	15,026,283	14,358,210
Collateralized Mortgage Obligations	20,336,643	12,067,386
Equities (Pfd.)	2,428,197	1,860,100
Equities	18,363,997	20,272,472
Mutual Funds	22,768,663	21,270,992
<u>TOTAL INVESTMENTS</u>	<u>\$92,664,440</u>	<u>\$84,504,121</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the ISF's investment in a single issue. To mitigate this risk, the ISF's investment policy provides general guidelines on diversification.

Investments in U.S. Treasuries and securities, collateralized time and demand deposits, and collateralized repurchase agreements can constitute up to 100 percent of the investment portfolio; U.S. government agencies, including mortgage-backed securities, cannot exceed 60 percent of the portfolio; and U.S. government agency callable securities, bankers' acceptances and commercial paper cannot exceed 30 percent of the portfolio. The SRWET has implemented an investment approach allocating 33 percent to equities.

COMMUNICATIONS & PUBLICATIONS

DEVELOPED AN
AWARD-WINNING NEW LOOK
FOR THE
STRIVE FOR WELLNESS[®]
PROGRAM,

AS WELL AS
A
REDESIGN
OF THE
QUARTERLY NEWSLETTER

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Plan minimizes this risk by only authorizing investment types approved by the Treasurer of the State of Missouri, limiting investments to the safest types of securities, and diversifying the portfolio so potential losses on individual securities will be minimized. The Plan's investments by credit rating category as of June 30, 2014 and 2013 are presented below.

CREDIT RISK

Internal Service Fund

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	<u>2014</u>	<u>2014</u>	<u>2013</u>	<u>2013</u>
INVESTMENTS	<u>Market Value</u>	<u>Ratings</u>	Market Value	Ratings
U.S. Agencies	\$20,535,911	Aaa/AA+	\$20,759,229	Aaa/AA+
U.S. Government	820,883	Aaa/AA+	27,255	Aaa/AA+
Guaranteed Mortgages				
U.S. Treasury	15,570,982	Aaa/AA+	15,312,097	Aaa/AA+
<u>TOTAL INVESTMENTS</u>	<u>\$36,927,776</u>		<u>\$36,098,581</u>	

CREDIT RISK

State Retiree Welfare Benefit Trust

	<u>2014</u>	<u>2014</u>	<u>2013</u>	<u>2013</u>
INVESTMENTS	<u>Market Value</u>	<u>Ratings</u>	Market Value	Ratings
U.S. Agencies	\$6,619,502	Aaa/AA+	\$5,212,224	Aaa/AA+
U.S. Government	7,121,155	Aaa/AA+	9,462,737	Aaa/AA+
Guaranteed Mortgages				
Corporate	15,026,283	A2/A	14,358,210	A1/A+
Collateralized Mortgage	20,336,643	Aaa/AA+	12,067,386	Aaa/AA+
Obligations				
Equities (Pfd.)	2,428,197	A2/A+	1,860,100	Aa3/A
Equities	18,363,997	A	20,272,472	A-
Mutual Funds	22,768,663	3-STAR	21,270,992	3-STAR
<u>TOTAL INVESTMENTS</u>	<u>\$92,664,440</u>		<u>\$84,504,121</u>	

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan minimizes this risk by structuring the portfolio so securities mature to meet cash requirements for ongoing operations, using cash flow modeling to moderate the interest rate risk by reducing any unanticipated security sales that could result in a loss of principal and, maintaining the operating funds primarily in repurchase agreements according to the banking contract.

For the interest rate risk measurement for the Plan, Central Bank employs the duration method. The maturities of the Plan's investments as of June 30, 2014 and 2013 are presented on the opposite page.

INTEREST RISK RATE

Internal Service Fund

	2014	2014	2013	2013
INVESTMENTS	Market Value	Duration	Market Value	Duration
U.S. Agencies	\$20,535,911	3.01	\$20,759,229	2.73
U.S. Government	820,883	4.03	27,255	0.56
Guaranteed Mortgages				
U.S. Treasury	15,570,982	1.93	15,312,097	2.14
<u>TOTAL INVESTMENTS</u>	<u>\$36,927,776</u>		<u>\$36,098,581</u>	

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INTEREST RISK RATE

State Retiree Welfare Benefit Trust

	2014	2014	2013	2013
INVESTMENTS	Market Value	Duration	Market Value	Duration
U.S. Agencies	\$6,619,502	9.07	\$5,212,224	9.02
U.S. Government	7,121,155	8.17	9,462,737	8.80
Guaranteed Mortgages				
Corporate	15,026,283	6.03	14,358,210	7.03
Collateralized Mortgage	20,336,643	4.22	12,067,386	3.33
Obligations				
Equities (Pfd.)	2,428,197	-	1,860,100	-
Equities	18,363,997	-	20,272,472	-
Mutual Funds	22,768,663	-	21,270,992	-
<u>TOTAL INVESTMENTS</u>	<u>\$92,664,440</u>		<u>\$84,504,121</u>	

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan has no investments subject to foreign currency risk.

D. INTERFUND ACTIVITY & BALANCES

As disclosed above, the ISF provides all administrative responsibilities related to SRWBT, which has no separate facilities or staff. Expenses directly attributable to SRWBT are charged to SRWBT. Other operating expenses, including personnel, are allocated between the ISF and the SRWBT based on participant counts for retired and active participants. The balance of the interfund receivable/payable represents the excess of SRWBT contributions collected by the ISF Plan over expenses paid by the ISF Plan for SRWBT.

E. RECEIVABLES

Beginning January 1, 2014, the Plan began offering an Employer Group Waiver Plan (EGWP), a Medicare Part D prescription drug plan (PDP) to Medicare eligible retirees and covered Medicare eligible dependents. During calendar year 2013, the Plan received a retiree drug subsidy (RDS) from the federal government for Medicare Part D Prescription Drug Plan eligible members. For fiscal years ended June 30, 2014 and 2013, all subsidies are recorded in the SRWBT, as these programs are only for retirees. Estimated revenue is recognized as the SRWBT incurs Medicare eligible retiree prescription drug expenditures.

In addition, the Plan receives rebates from its pharmacy benefit manager related to manufacturers' rebates and other guaranteed rebates for non-Medicare Part D prescriptions. For the years ended June 30, 2014 and 2013, these rebates are allocated between the ISF and the SRWBT. Estimated revenue is recognized for rebates based on prescription claims counts and historical average rebate per claim.

Traditionally, receivables are composed of primarily pharmacy rebates from the pharmacy benefit manager and the Medicare Part D subsidy. Other receivables include interest income and miscellaneous premium amounts.

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F. FURNITURE, FIXTURES & EQUIPMENT

Furniture, fixtures and equipment are capitalized at cost when acquired. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Furniture and fixtures are depreciated over a 10-year useful life. Data processing equipment is depreciated over a five-year useful life. The threshold for the capitalizing of fixed assets was increased July 1, 2013, from \$250 to \$1,000.

Maintenance and repairs are charged to expense as incurred. The cost and related accumulated depreciation of assets sold or retired are removed from the related accounts, and the resulting gains or losses are reflected as nonoperating gains or losses in the statement of revenues, expenses and change in net position. The changes in Furniture, Fixtures and Equipment for the years ended June 30, 2014 and 2013 are as presented in the chart below.

FURNITURE, FIXTURES & EQUIPMENT

Missouri Consolidated Health Care Plan

ADDITIONS		2014	2013
	Balance, beginning of year	\$2,852,741	\$2,913,840
	Additions	142,932	142,651
	Deletions	(299,767)	(203,750)
	<u>BALANCE, END OF YEAR</u>	<u>\$2,695,906</u>	\$2,852,741

ACCUMULATED DEPRECIATION			
	Balance, beginning of year	\$2,549,467	\$2,569,078
	Depreciation expense	196,804	184,139
	Deletions	(299,766)	(203,750)
	<u>BALANCE, END OF YEAR</u>	<u>\$2,446,505</u>	\$2,549,467

G. PLAN FUNDING

State Appropriations/Contributions

Funds are appropriated to the Plan by the Missouri State General Assembly. Premiums are received one-half prior to the month of coverage and one-half during the month of coverage. Funds are received by the Plan every two weeks and coincide with the State's payroll cycle. The State's monthly per-member active contribution for fiscal years 2014, 2013, and 2012 averaged \$658, \$656, and \$659 per month respectively. The State's contribution per member to fund the current

fiscal year cost of retiree plan benefits for the years ended June 30, 2014 and 2013 averaged 4.06 and 4.03 percent of active employee covered payroll, respectively.

The State did not provide additional funding towards future OPEB benefits for the period ended June 30, 2014 and 2013, respectively. All state appropriations are available to pay benefits for both active and retired participants except for the amounts contributed to fund the OPEB reserve.

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Member Premiums

Monthly member premiums for State employees are established annually by the Plan's Board of Trustees. These premiums are deducted from employee payroll checks in advance. Additionally, the Plan bills members who are not receiving payroll checks two weeks in advance.

Public Entity Premiums

Monthly public entity premiums are established annually by the Plan's Board of Trustees. The Plan bills the public entities two weeks in advance.

Deferred Premium Revenue

Deferred premium revenue includes premium revenue from the members, public entities, and the State received in advance of the month coverage is provided. Although no Early Retiree Reinsurance Program (ERRP) funds were available for application during fiscal year 2013 for the 2014 calendar Plan year, the Plan applied for and received \$5.4 million in the fiscal year ended June 30, 2012 and these funds were immediately deferred and utilized to lower premiums for the 2013 plan year.

For the fiscal years ended June 30, 2014 and 2013, \$2,834,633 and \$5,827,547 was utilized to lower premiums for members. The ERRP program was authorized by the Patient Protection and Affordable Care Act.

Operating/Nonoperating Revenues

Operating revenues and expenses reflect items directly related to providing health benefits to members. Nonoperating revenues and expenses represent investment income and other items not directly related to providing health benefits to members.

H. OTHER POST-EMPLOYMENT BENEFITS

Employees may participate in state-sponsored medical coverage in retirement based on Plan criteria. At June 30, 2014 and 2013, there were 19,644 and 19,379 retirees and their dependents who met these eligibility requirements, respectively.

During the years ended June 30, 2014 and 2013, expenditures (net of retiree contributions) of \$105.8 million and \$104 million, respectively, were recognized for post-retirement medical insurance coverage under the self-funded PPO, and less than \$100,000 and \$4.1 million, respectively, under the fully insured PPO option.

Funded Status and Funding Progress

The funded status of the SRWBT as of the most recent actuarial valuation is presented below.

SCHEDULE OF FUNDING PROGRESS
(\$ IN MILLIONS)

State Retiree Welfare Benefit Trust

FISCAL YEAR ENDING		2014	
Actuarial Value of Assets (a)		\$102.3	
Actuarial Accrued Liability (AAL) (b)		\$1,649.5	51
Unfunded/(Overfunded) AAL (UAAL) (b) - (a)		\$1,547.2	
Funded Ratio (a)/(b)		6.2%	
Covered Payroll (c)		\$1,566.7	
UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]		98.8%	

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Actuarially determined amounts are subject to continual revision, as actual results are compared with past expectations and revised estimates are made about future costs. The estimated actuarial accrued liability reflected above is based on the substantive plan in place at the time of the latest actuarial valuation. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued benefits.

The accompanying schedule of employer contributions, presented as required supplementary information, presents trend information about the amounts contributed to the plan by employers in comparison to the amount that is actuarially determined in accordance with the requirements of GASB Statement No. 43. The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost-sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**DURING THE 2014
OPEN ENROLLMENT
PERIOD,**

**MCHCP HAD MORE THAN
103,000 WEBSITE
VISITS BY MORE
THAN 55,000
UNIQUE
INDIVIDUALS.**

Projections include a broad array of complex social and economic events, such as the emergence of new and expensive medical procedures and prescription drug options, changes in investment rates of return, and other uncertainties. As such, the estimate of post-retirement program costs contains considerable uncertainty and variability, and actual experience may vary significantly from the current estimated obligation. Additional information as of the latest actuarial valuation is presented below.

SUMMARY OF KEY ACTUARIAL
METHODS & ASSUMPTIONS

State Retiree Welfare Benefit Trust 53

VALUATION YEAR	<u>July 1, 2013-June 30, 2014</u>
Actuarial cost method	Entry age normal, level percent of pay
Amortization method	30 years, open, level percent of pay
Asset Valuation method	Market value
ACTUARIAL ASSUMPTIONS	
Discount rate	6.0%
Projected payroll growth rate	4.0%
Inflation Rate	3.0%
Health care cost trend rate (Medical & prescription drugs combined)	Non-Medicare is 7.1% for Fiscal 2014; the rate decreases by 0.3% per year to an ultimate rate of 5.0% in Fiscal 2021 and later. Medicare is 7.4% for Fiscal 2014; the rate decreases by 0.4% per year through Fiscal 2019, then by 0.2% per year until reaching the ultimate rate of 5.0% in Fiscal 2021 and later.

Employer Disclosures

Participating employers, upon their implementation of the related GASB No. 45, are required to disclose additional information with regard to funding policy, the employer's annual OPEB costs and contributions made, the funded status and funding progress of the employer's individual plan, and actuarial methods and assumptions used. Employer disclosures for MCHCP can be found in footnote M.

I. MEDICAL CLAIMS & CAPITATION

As of June 30, 2014 and 2013, the Plan insured approximately 93 and 96 percent, respectively, of its members through PPO contracts. Third-party administrators are paid a contracted administrative fee per subscriber for the self-insured contracts, with the Plan bearing all administrative and medical claims costs of providing coverage to the members. The fully insured PPOs are paid monthly based upon contracted capitation rates and current participation. The Plan bears no additional risk over the prevailing capitation rate for these contracts. Enrollment in the High Deductible Health Plan increased to approximately 7% for the year ended June 30, 2014, representing a 3% increase over enrollment at June 30, 2013, of approximately 4%.

The liability for estimated accrued claims and processing costs is based on an actuarial estimate of the ultimate cost of settling such claims due and payable as of the balance sheet date (including claims reported and in process of settlement, claims reported but not yet processed for settlement, and claims incurred for services provided but not yet reported or processed for settlement). The estimated actuarial liability reflects certain assumptions, which include such factors as enrollment and utilization. Adjustments to the estimated actuarial liability for the final settlement of claims will be reflected in the year that actual results of the settlement of the claims are made and are known.

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As of June 30, 2014 and 2013, \$3,249,392 and \$3,287,697, respectively, is included in accrued medical claims and capitation fee expenses for accrued PPO capitation expenses. Additionally, \$43,074,000 and \$42,013,000 at June 30, 2014 and 2013, respectively, is included in estimated accrued medical costs for claims incurred but not yet paid under the Plan's self-funded products. Although management believes these estimates are adequate, the ultimate liability may be more or less than the amounts recorded.

The methods for making such estimates and for establishing the resulting liabilities are continually reviewed, and any adjustments are reflected in current operations. Contingent liabilities exist with respect to claims covered under the Plan in the event a contracted provider or carrier is unable to meet its obligations to the Plan. Changes in estimated accrued claims for fiscal years 2014 and 2013 are presented below.

SUMMARY OF CHANGES IN
ESTIMATED ACCRUED CLAIMS

Internal Service Fund

BALANCES	<u>2014</u>	2013
Balance at beginning of year	\$33,444,000	\$32,384,000
Current year claims & changes in estimates	248,345,266	234,461,786
Claim payments	(246,823,266)	(233,401,786)
<u>BALANCE AT END OF YEAR</u>	<u>\$34,966,000</u>	\$33,444,000

SUMMARY OF CHANGES IN
ESTIMATED ACCRUED CLAIMS

State Retiree Welfare Benefit Trust

BALANCES	<u>2014</u>	2013
Balance at beginning of year	\$8,569,000	\$10,052,000
Current year claims & changes in estimates	105,801,449	108,121,548
Claim payments	(106,262,449)	(109,604,548)
<u>BALANCE AT END OF YEAR</u>	<u>\$8,108,000</u>	\$8,569,000

J. RETIREMENT PLAN

All of the Plan's full-time employees are eligible to participate in the Missouri State Employees' Plan (MSEP). MSEP is a single-employer public employee retirement plan of the State of Missouri administered in accordance with Sections 104.010 and 104.312 to 104.1093 of the Revised Statutes of Missouri. Benefits are established by and can be amended by the State of Missouri legislative process.

Responsibility for the operation and administration of MSEP is vested in the Missouri State Employees' Retirement System (MOSERS) Board of Trustees. MSEP provides retirement, death and disability benefits to participants and their beneficiaries. MSEP is considered a part of the State of Missouri financial reporting entity and is included in the State's financial reports as a pension trust fund. MSEP issues a stand-alone report, which may be obtained by contacting MOSERS at 907 Wildwood Drive, PO Box 209, Jefferson City, MO 65102.

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With respect to the Plan, MSEP is accounted for and reported as a cost-sharing pension plan. Plan payroll for employees covered by MSEP for the years ended June 30, 2014 through 2012 was approximately \$3.1 million for fiscal year 2014 and approximately \$2.8 and \$2.9 million for the years ended June 30, 2013 and 2012, respectively. These amounts also represent the Plan's total payroll, excluding related benefits.

The Plan made 100 percent of its actuarially determined required contributions for the years ended June 30, 2014, 2013, and 2012, which were approximately \$513,000, \$406,000, and \$402,000, respectively. These contributions represented 16.98 percent, 14.45 percent, and 13.97 percent percent respectively, of covered payroll, and are included in payroll and related benefit expenses.

K. DEFERRED COMPENSATION PLAN

The State of Missouri Deferred Compensation Plan is a voluntary defined contribution plan offered in compliance with IRS Code Sections 457 and 401(a). The Plan is administered by MOSERS in accordance with Sections 105.900 to 105.927 of the Revised Statutes of Missouri. MOSERS has retained ICMA-RC for participant account record keeping and processing services since November 2011. The Plan offers all state employees the opportunity to save for retirement with before and after tax (Roth) money. New permanent full-time and part-time employees are automatically enrolled in the plan at a 1% contribution per pay period made via payroll deduction.

Audited financial statements for the State of Missouri Deferred Compensation Plan can be viewed on MOSERS website at www.mosers.org

L. EMPLOYEE ASSISTANCE PROGRAM

An employee assistance benefit program is offered to all State employees and their immediate families. The program, serviced through ComPsych, offers six free mental health counseling sessions per problem, per year and can be accessed 24 hours a day through a toll-free number.

M. POST-EMPLOYMENT RETIREE HEALTH CARE

For the year ended June 30, 2008, MCHCP also adopted GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. However, all State agencies and component units are included in the State's post-employment retiree health care

SCHEDULE OF PERCENTAGE
OF OPEB COST CONTRIBUTED

Missouri Consolidated Health Care Plan

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FISCAL YEAR ENDING	2014
Annual OPEB Cost	\$103,941,491
Percentage of OPEB Cost Contributed	54.2%
Net OPEB Obligation	\$275,662,915

calculations.
Thus, separate information is not available for MCHCP, which is a component unit of the State. For fiscal year 2014 and 2013, respectively, MCHCP contributed \$120,747 and \$114,614 for its employees in accordance with the State's funding policy toward the annual required contribution (ARC) for post-employment retiree health care. These financial statements include the OPEB Plan in which MCHCP participates. See note H for further information regarding the OPEB plan.

Discovery

**REQUIRED
SUPPLEMENTARY**

INFORMATION

SCHEDULE OF CLAIMS
DEVELOPMENT

State Actives & Retirees

		<u>2014 - Total</u>	<u>2014 - Active</u>	<u>2014 - Retiree</u>
		July 1, 2013	July 1, 2013	July 1, 2013
FISCAL YEAR	- June 30, 2014	- June 30, 2014	- June 30, 2014	- June 30, 2014
	Required contribution & investment income	\$536,537,855	\$410,661,499	\$125,876,356
	Administrative expenses	28,895,131	21,103,369	7,791,762
58	<u>ESTIMATED INCURRED CLAIMS & EXPENSES</u>	<u>\$507,642,724</u>	<u>\$389,558,130</u>	<u>\$118,084,594</u>
	<u>END OF POLICY YEAR</u>			
PAID CLAIMS SUMMARY				
	Paid (cumulative)	July 1, 2013	July 1, 2013	July 1, 2013
	as of	- June 30, 2014	- June 30, 2014	- June 30, 2014
	<u>END OF POLICY YEAR</u>	<u>\$403,786,000</u>	<u>\$307,679,000</u>	<u>\$96,107,000</u>
	One year later	-	-	-
	Two years later	-	-	-
INCURRED CLAIMS SUMMARY				
	Re-estimated incurred claims & expenses	July 1, 2013	July 1, 2013	July 1, 2013
	- June 30, 2014	- June 30, 2014	- June 30, 2014	- June 30, 2014
	End of policy year	\$440,361,000	\$336,792,000	\$103,569,000
	One year later	-	-	-
	Two years later	-	-	-
	<u>INCREASE (DECREASE) IN ESTIMATED INCURRED CLAIMS & EXPENSES FROM</u>	<u>\$67,281,724</u>	<u>\$52,766,130</u>	<u>\$14,515,594</u>
	<u>END OF POLICY YEAR</u>			

2013 - Total	2013 - Active	2013 - Retiree	2012 - Total	2011 - Total	
July 1, 2012	July 1, 2012	July 1, 2012	July 1, 2011	July 1, 2010	
- June 30, 2013	- June 30, 2013	- June 30, 2013	- June 30, 2012	- June 30, 2011	
\$530,983,836	\$411,794,480	\$119,189,356	\$535,485,718	\$564,736,923	
24,524,427	17,902,832	6,621,595	24,393,066	25,729,199	
\$506,459,409	\$393,891,648	\$112,567,761	\$511,092,652	\$539,007,724	59
July 1, 2012	July 1, 2012	July 1, 2012	July 1, 2011	July 1, 2010	
- June 30, 2013	- June 30, 2013	- June 30, 2013	- June 30, 2012	- June 30, 2011	
\$387,184,000	\$291,352,000	\$95,832,000	\$382,449,000	\$407,392,000	
424,574,000	321,493,000	103,081,000	\$418,141,000	440,506,912	
-	-	-	418,058,000	\$440,333,000	
July 1, 2012	July 1, 2012	July 1, 2012	July 1, 2011	July 1, 2010	
- June 30, 2013	- June 30, 2013	- June 30, 2013	- June 30, 2012	- June 30, 2011	
\$422,902,000	\$319,761,000	\$103,141,000	\$417,708,000	\$447,849,000	
424,673,000	321,542,000	103,131,000	418,260,000	440,525,000	
-	-	-	418,058,000	440,333,000	
\$83,557,409	\$74,130,648	\$9,426,761	\$93,384,652	\$91,158,724	

SUMMARY OF KEY ACTUARIAL
METHODS & ASSUMPTIONS

State Retiree Welfare Benefit Trust

60

FISCAL YEAR	<u>2014</u>	2013	2012
Valuation Year	July 1, 2013 - June 30, 2014	July 1, 2012 - June 30, 2013	July 1, 2011 - June 30, 2012
Actuarial cost method	Entry age normal, level percent of pay	Entry age normal, level percent of pay	Entry age normal, level percent of pay
Amortization method	30 years, open, level percent of pay	30 years, open, level percent of pay	30 years, open, level percent of pay
Asset Valuation method	Market value	Market value	Market value
ACTUARIAL ASSUMPTIONS			
Discount rate	6.0%	6.5%	6.5%
Projected payroll growth rate	4.0%	4.0%	4.0%
Health care cost trend rate (Medical & prescription drugs combined)	Non-Medicare is 7.1% for Fiscal 2014; the rate decreases by 0.3% per year to an ultimate rate of 5.0% in Fiscal 2021 & later. Medicare is 7.4% for Fiscal 2014; the rate decreases by 0.4% per year through Fiscal 2019, then by 0.2% per year until reaching the ultimate rate of 5.0% in Fiscal 2021 & later.	Non-Medicare is 7.4% for Fiscal 2013; the rate decreases by 0.3% per year to an ultimate rate of 5.0% in Fiscal 2021 & later. Medicare is 7.8% for Fiscal 2013; the rate decreases by 0.4% per year through Fiscal 2019, then by 0.2% per year until reaching the ultimate rate of 5.0% in Fiscal 2021 & later.	Non-Medicare: 8.00% in fiscal 2012, then decreasing by 3/5% per year to an ultimate of 5.0% in fiscal 2017 & after. Medicare: 8.50% in fiscal 2012, then decreasing by 7/10% per year to an ultimate of 5.0% in fiscal 2017 & after.

SUMMARY OF KEY ACTUARIAL
METHODS & ASSUMPTIONS

State Retiree Welfare Benefit Trust

FISCAL YEAR	2011	2010	2009	
Valuation Year	July 1, 2010 - June 30, 2011	July 1, 2009 - June 30, 2010	July 1, 2008 - June 30, 2009	
Actuarial cost method	Entry age normal, level percent of pay	Entry age normal, level percent of pay	Entry age normal, level percent of pay	
Amortization method	30 years, open, level percent of pay	30 years, open, level percent of pay	30 years, open, level percent of pay	
Asset Valuation method	Market value	Market value	Market value	61
ACTUARIAL ASSUMPTIONS				
Discount rate	7.0%	7.0%	7.5%	
Projected payroll growth rate	4.0%	4.0%	4.0%	
Health care cost trend rate (Medical & prescription drugs combined)	7.67% in fiscal year 2011, then decreasing by 2/3% per year to an ultimate of 5.0% in fiscal 2015 & after.	8.33% in fiscal year 2010, then decreasing by 2/3% per year to an ultimate of 5.0% in fiscal 2015 & after.	9% in fiscal year 2009, then decreasing by 2/3% per year to an ultimate of 5.0% in fiscal 2015 & after.	

SCHEDULE OF FUNDING PROGRESS
(\$ IN MILLIONS)

State Retiree Welfare Benefit Trust

FISCAL YEAR ENDING		2014	2013	2012	2011
	Actuarial Value of Assets (a)	\$102.3	\$89.5	\$83.6	\$80.2
	Actuarial Accrued Liability (AAL) (b)	\$1,649.5	\$1,485.6	\$1,594.5	\$1,413.2
	Unfunded/(Overfunded) AAL (UAAL)	\$1,547.2	\$1,396.1	\$1,510.9	\$1,333.0
	(b) - (a)				
	Funded Ratio (a)/(b)	6.2%	6.0%	5.2%	5.7%
62	Covered Payroll (c)	\$1,566.7	\$1,552.7	\$1,534.2	\$1,559.1
	UAAL as a Percentage of Covered Payroll	98.8%	89.9%	98.5%	85.5%
	[(b) - (a) / (c)]				

FISCAL YEAR ENDING		2010	2009	2008
	Actuarial Value of Assets (a)	\$73.2	\$48.7	\$15.6
	Actuarial Accrued Liability (AAL) (b)	\$1,304.4	\$1,629.9	\$1,276.3
	Unfunded/(Overfunded) AAL (UAAL)	\$1,231.2	\$1,581.2	\$1,260.7
	(b) - (a)			
	Funded Ratio (a)/(b)	5.6%	3.0%	1.2%
	Covered Payroll (c)	\$1,614.0	\$1,638.1	\$1,572.9
	UAAL as a Percentage of Covered Payroll	76.3%	96.5%	80.2%
	[(b) - (a) / (c)]			

SCHEDULE OF EMPLOYER
CONTRIBUTIONS

State Retiree Welfare Benefit Trust

FISCAL YEAR ENDING		Annual Required Contributions	Actual Contributions	Percentage Contributed
	June 30, 2014	\$100,143,855	\$56,314,655	56.2%
	June 30, 2013	\$93,385,621	\$54,005,719	57.8%
	June 30, 2012	100,799,906	57,080,104	56.6%
	June 30, 2011	99,766,158	53,353,553	53.5%
	June 30, 2010	93,864,650	74,384,744	79.2%
	June 30, 2009	124,511,154	91,446,684	73.4%
	June 30, 2008	104,479,000	68,628,500	65.7%

The State provided benefit payments and administrative costs of \$56.3, \$54 and \$57.1 in fiscal 2014, 2013 and 2012, respectively. The Statement of Changes in Plan Net Position provides more details concerning these amounts.

The background of the entire page is a photograph of a bright blue sky. In the upper left corner, a bright sun is partially obscured by a large, fluffy white cloud. The sky transitions from a deep blue at the top to a lighter, hazy blue towards the bottom.

Boundless

STATISTICAL
INFORMATION

HISTORICAL DATA:
REVENUES BY SOURCE

Internal Service Fund,
Ten years ended June 30, 2014

FISCAL YEAR	State/ Employer	Member	Public	Pharmacy	Total	Investment
	Contributions	Contributions	Entity Income	Rebates & Subsidy	Operating Revenues	& Other Income
2014	314,696,927	87,402,560	8,234,207	7,684,071	418,017,765	877,940
2013	316,307,501	90,793,617	8,215,776	4,256,453	419,573,347	436,909
2012	319,804,444	89,797,753	8,492,621	5,375,360	423,470,178	853,463
64 2011	354,247,003	83,925,846	9,513,436	4,522,990	452,209,275	708,812
2010	356,953,666	73,309,792	10,295,456	5,344,809	445,903,723	1,104,898
2009	270,289,644	65,348,201	9,966,190	4,603,754	350,207,789	2,504,570
2008	276,886,166	57,339,368	10,008,570	5,033,832	349,267,936	7,099,139
2007	362,001,092	93,152,562	9,121,094	10,150,614	474,425,362	9,104,038
2006	319,465,109	84,069,097	8,989,197	8,104,447	420,627,850	5,928,270
2005	322,984,426	79,112,936	12,455,591	5,306,796	419,859,749	2,492,453

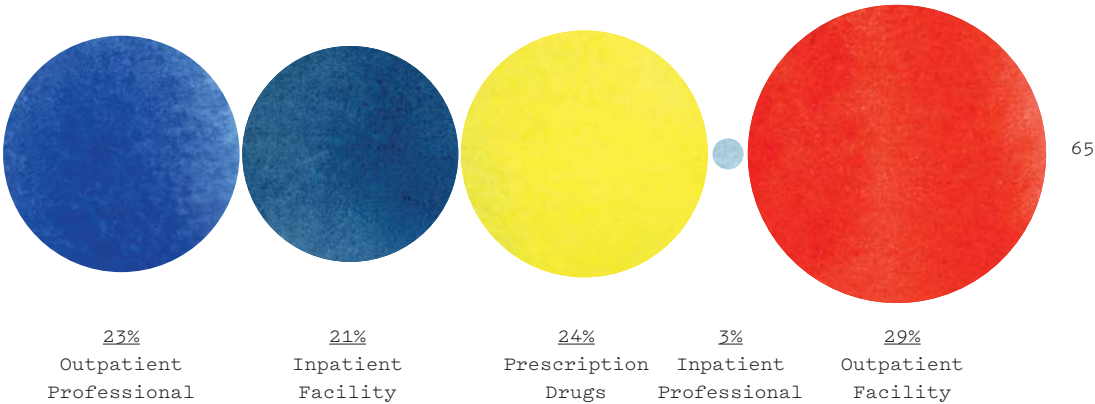
HISTORICAL DATA:
EXPENSES BY TYPE

Internal Service Fund,
Ten years ended June 30, 2014

FISCAL YEAR	Medical Claims/ Capitation & Health	Administration		Total Operating
	Administrative Services	& Payroll	Other	Expenses & Fees
2014	399,793,666	3,966,917	1,961,783	405,722,366
2013	384,588,353	3,983,962	1,805,563	390,377,878
2012	381,291,864	3,885,557	2,097,573	387,274,994
2011	422,066,045	4,148,726	2,134,781	428,349,552
2010	422,117,593	4,275,900	2,230,997	428,624,490
2009	431,216,276	4,809,936	2,117,078	438,143,290
2008	376,273,599	4,451,041	1,823,192	382,547,832
2007	437,756,208	5,597,367	1,975,742	445,329,317
2006	396,446,979	5,309,717	2,108,558	403,865,254
2005	383,918,636	5,290,374	1,697,269	390,906,279

DISTRIBUTION OF
CLAIM PAYMENTS

State Membership,
Fiscal year 2014



SUMMARY Total Lives: 96,589 Female: 57% Male: 43%

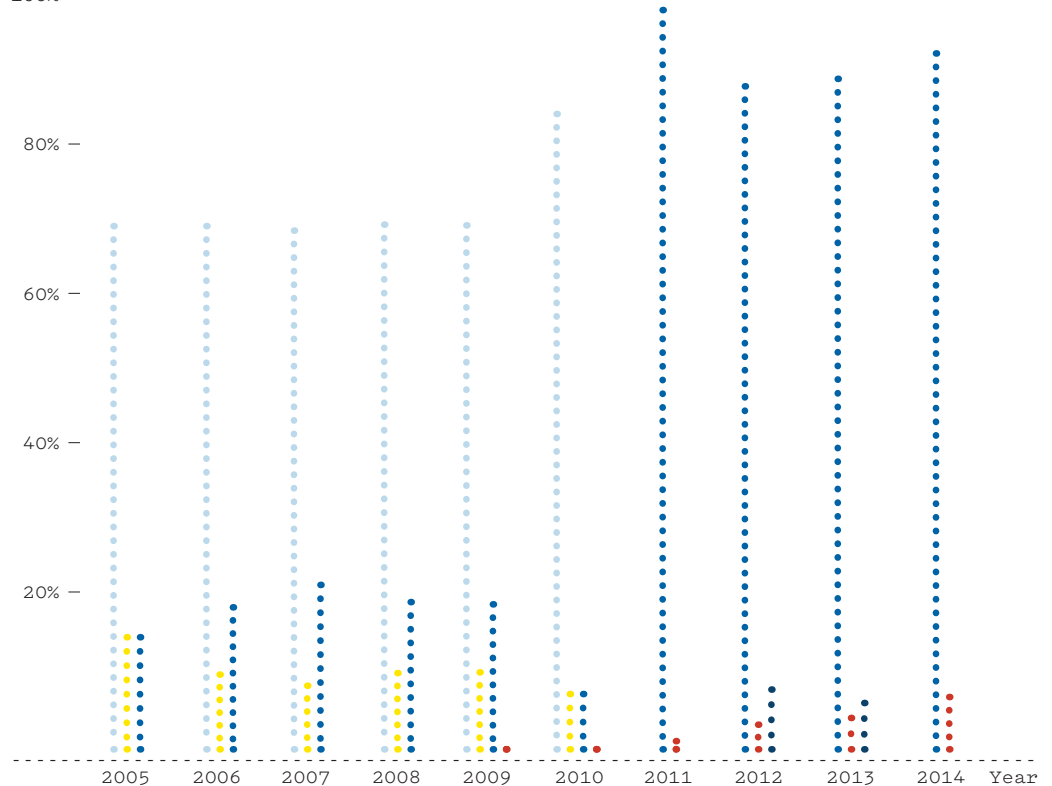
**NEW FOR
FISCAL YEAR 2014, THE
INFORMED ENROLLMENT
TOOL WAS USED BY
57% OF ELIGIBLE USERS,
MORE THAN
24,000 EMPLOYEES.**

**AROUND 20,000
OF THESE EMPLOYEES
WENT THROUGH THE
ENTIRE PROCESS
TO ARRIVE AT
THEIR
RECOMMENDED PLAN.**

Plan Type



100% –



STATEMENTS OF REVENUES,
EXPENSES & CHANGE IN NET POSITION

Internal Service Fund,
 Ten years ended June 30, 2014

	OPERATING REVENUES	<u>2014</u>	2013	2012	2011
	State/employer contributions	\$314,696,927	\$316,307,501	\$319,804,444	\$354,247,003
	Member contributions	87,402,560	90,793,617	89,797,753	83,925,846
	Public entity contributions	8,234,207	8,215,776	8,492,621	9,513,436
	Pharmacy rebates	7,684,071	4,256,453	5,375,360	4,522,990
	Medicare Part D subsidy		-	-	-
68	<u>TOTAL OPERATING REVENUES</u>	\$418,017,765	\$419,573,347	\$423,470,178	\$452,209,275
	OPERATING EXPENSES				
	Medical claims & capitation expense	\$384,618,997	\$372,475,046	\$369,224,125	\$409,567,239
	Claims administration services	13,852,877	10,806,319	10,715,326	11,127,397
	Payroll and related benefits	3,256,596	2,956,116	2,995,419	3,118,821
	Health management	1,321,792	1,306,988	1,352,413	1,371,409
	Administration	710,321	893,425	755,431	668,081
	Professional services	1,239,582	1,219,526	1,410,821	1,359,829
	Employee Assistance Program	578,534	586,037	686,752	774,952
	Depreciation	143,667	134,421	134,707	361,824
	<u>TOTAL OPERATING EXPENSES</u>	\$405,722,366	\$390,377,878	\$387,274,994	\$428,349,552
	Operating revenues over (under) operating expenses	12,295,399	29,195,469	36,195,184	23,859,723
	NONOPERATING REVENUES				
	Investment and other income	\$877,940	\$436,909	\$853,463	\$708,812
	Loss on disposal of furniture, fixtures and equipment	-	-	-	-
	Other nonoperating expenses	-	-	-	-
	NET POSITION				
	Change in net position	\$13,173,339	\$29,632,378	\$37,048,647	\$24,568,535
	Net position, beginning of year	130,428,285	100,795,907	63,747,260	39,178,725
	<u>NET POSITION, END OF YEAR</u>	\$143,601,624	\$130,428,285	\$100,795,907	\$63,747,260

2010	2009	2008	2007	2006	2005	
\$356,953,666	\$270,289,644	\$276,886,166	\$362,001,092	\$319,465,109	\$322,984,426	
73,309,792	65,348,201	57,339,368	93,152,562	84,069,097	79,112,936	
10,295,456	9,966,190	10,008,570	9,121,094	8,989,197	12,455,591	
5,344,809	4,603,754	5,033,832	5,678,206	5,539,208	5,306,796	
-	-	-	4,472,408	2,565,239	-	
\$445,903,723	\$350,207,789	\$349,267,936	\$474,425,362	\$420,627,850	\$419,859,749	69
\$405,742,184	\$411,593,266	\$357,621,982	\$414,402,466	\$376,750,654	\$370,454,024	
13,711,789	15,104,342	14,432,722	17,604,641	16,857,025	13,464,612	
3,365,166	3,605,582	3,291,979	4,123,871	3,887,880	3,920,693	
2,663,620	4,518,668	4,218,895	5,749,101	2,839,300	-	
910,734	1,204,354	1,159,062	1,473,496	1,421,837	1,369,681	
1,132,392	1,137,039	907,127	816,500	1,004,715	633,549	
757,934	696,380	674,601	881,723	874,492	868,345	
340,671	283,659	241,464	277,519	229,351	195,375	
\$428,624,490	\$438,143,290	\$382,547,832	\$445,329,317	\$403,865,254	\$390,906,279	
17,279,233	(87,935,501)	(33,279,896)	29,096,045	16,762,596	28,953,470	
\$1,104,898	\$2,504,570	\$7,099,139	\$9,104,038	\$5,928,270	\$2,492,453	
-	-	-	-	-	-	
-	-	-	-	-	-	
\$18,384,131	(85,430,931)	(26,180,757)	\$38,200,083	\$22,690,866	\$31,445,923	
20,794,594	106,225,525	132,406,282	94,206,199	71,515,333	40,069,410	
\$39,178,725	\$20,794,594	\$106,225,525	\$132,406,282	\$94,206,199	\$71,515,333	

SCHEDULE OF NET POSITION
BY COMPONENT

Internal Service Fund,
Ten years ended June 30, 2014

		Net investment in		Total net
NET POSITION		capital assets	Unrestricted	position
	2014	\$250,090	\$143,351,534	\$143,601,624
	2013	262,720	130,165,565	130,428,285
	2012	256,281	100,539,626	100,795,907
	2011	333,028	63,414,232	63,747,260
70	2010	418,325	38,760,400	39,178,725
	2009	488,735	20,305,859	20,794,594
	2008	447,943	105,777,582	106,225,525
	2007	400,575	132,005,707	132,406,282
	2006	337,958	93,868,241	94,206,199
	2005	371,501	71,143,832	71,515,333

FULL-TIME
EMPLOYEES

Missouri Consolidated Health Care Plan,
Ten years ended June 30, 2014

DEPARTMENT	<u>2014</u>	2013	2012	2011	2010	2009	2008	2007	2006	2005
Executive & Administration	2.00	4.50	5.00	4.76	4.46	3.61	3.85	4.00	4.00	4.50
Operations	50.97	48.10	46.59	47.79	52.80	58.98	57.07	58.06	59.65	62.42
General Counsel	2.00	1.00	2.00	1.75	0.75	1.00	1.00	1.00	1.00	1.00
Internal Audit	4.00	3.00	3.00	3.00	2.96	3.00	3.00	2.88	0.04	-
Human Resources	1.00	0.53	1.00	0.82	1.48	2.00	2.00	1.62	2.00	2.00
Fiscal	6.00	5.00	6.00	6.00	6.00	6.00	6.00	5.60	6.00	6.00
<u>TOTAL</u>	65.97	62.13	63.59	64.12	68.45	74.59	72.92	73.16	72.69	75.92

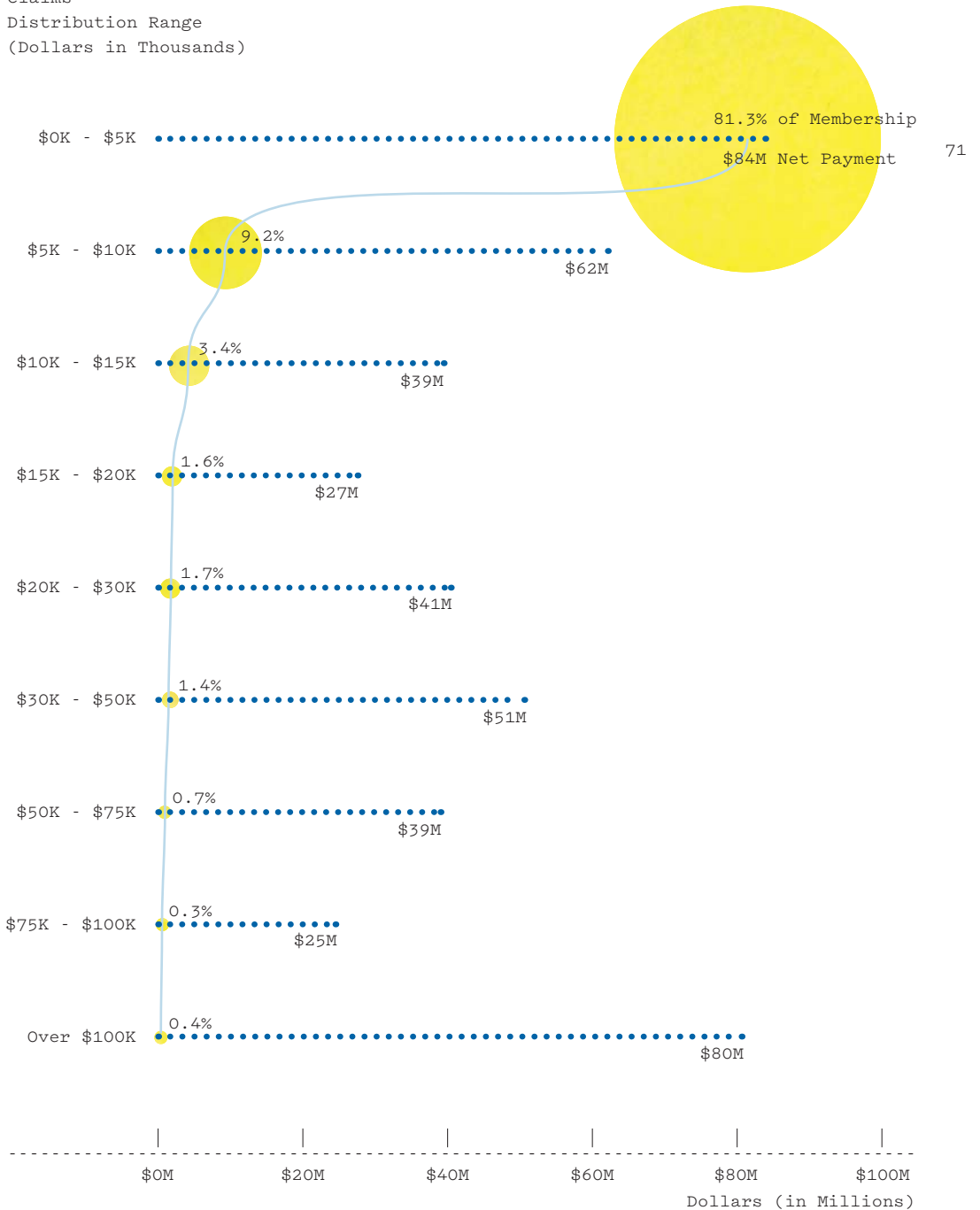
PAID CLAIMS DISTRIBUTION
BY INDIVIDUAL

State Membership,
Fiscal year ended June 30, 2014

Claims

Distribution Range

(Dollars in Thousands)



STATE MEMBERSHIP
ENROLLED IN MCHCP

Subscribers & Dependents
as of June 30, 2014

AGE	Active		Retirees		COBRA		Disabled		Survivors		Vested		Total
	Female	Male	F	M	F	M	F	M	F	M	F	M	All
< 1	391	398	1	1	1	-	-	-	-	-	1	-	793
1 - 10	5,001	5,357	19	10	1	5	-	1	1	1	4	2	10,402
11 - 19	6,087	6,298	113	98	1	4	6	5	11	7	10	6	12,646
20 - 24	3,633	3,484	163	169	1	2	10	3	7	17	4	1	7,494
25 - 29	2,665	1,882	25	44	3	10	-	2	2	3	-	1	4,637
30 - 34	2,915	1,805	6	8	2	2	-	1	-	-	-	1	4,740
35 - 39	3,068	1,915	4	7	3	2	5	-	-	1	4	-	5,009
40 - 44	3,635	2,178	6	3	-	-	6	3	-	1	11	3	5,846
45 - 49	3,912	2,419	28	14	1	2	16	10	2	3	11	8	6,426
50 - 54	4,495	2,822	343	122	4	3	24	15	5	2	21	15	7,871
55 - 59	3,891	2,647	1,306	600	5	2	27	13	19	7	24	10	8,551
60 - 64	2,338	1,971	2,496	1,365	8	3	11	5	47	10	8	6	8,268
65 - 69	560	648	2,507	1,673	-	-	2	1	57	20	-	3	5,471
70 - 74	90	143	1,823	1,213	-	-	1	-	84	32	1	2	3,389
75 - 79	20	34	1,328	798	-	-	-	-	120	42	-	-	2,342
80+	3	8	1,526	811	-	-	-	-	313	41	1	1	2,704
SUBTOTAL	42,704	34,009	11,694	6,936	30	35	108	59	668	187	100	59	-
<u>TOTAL</u>	<u>76,713</u>		<u>18,630</u>		<u>65</u>		<u>167</u>		<u>855</u>		<u>159</u>		<u>96,589</u>

ENROLLMENT
HISTORY

State Membership,
Ten years ended June 30, 2014

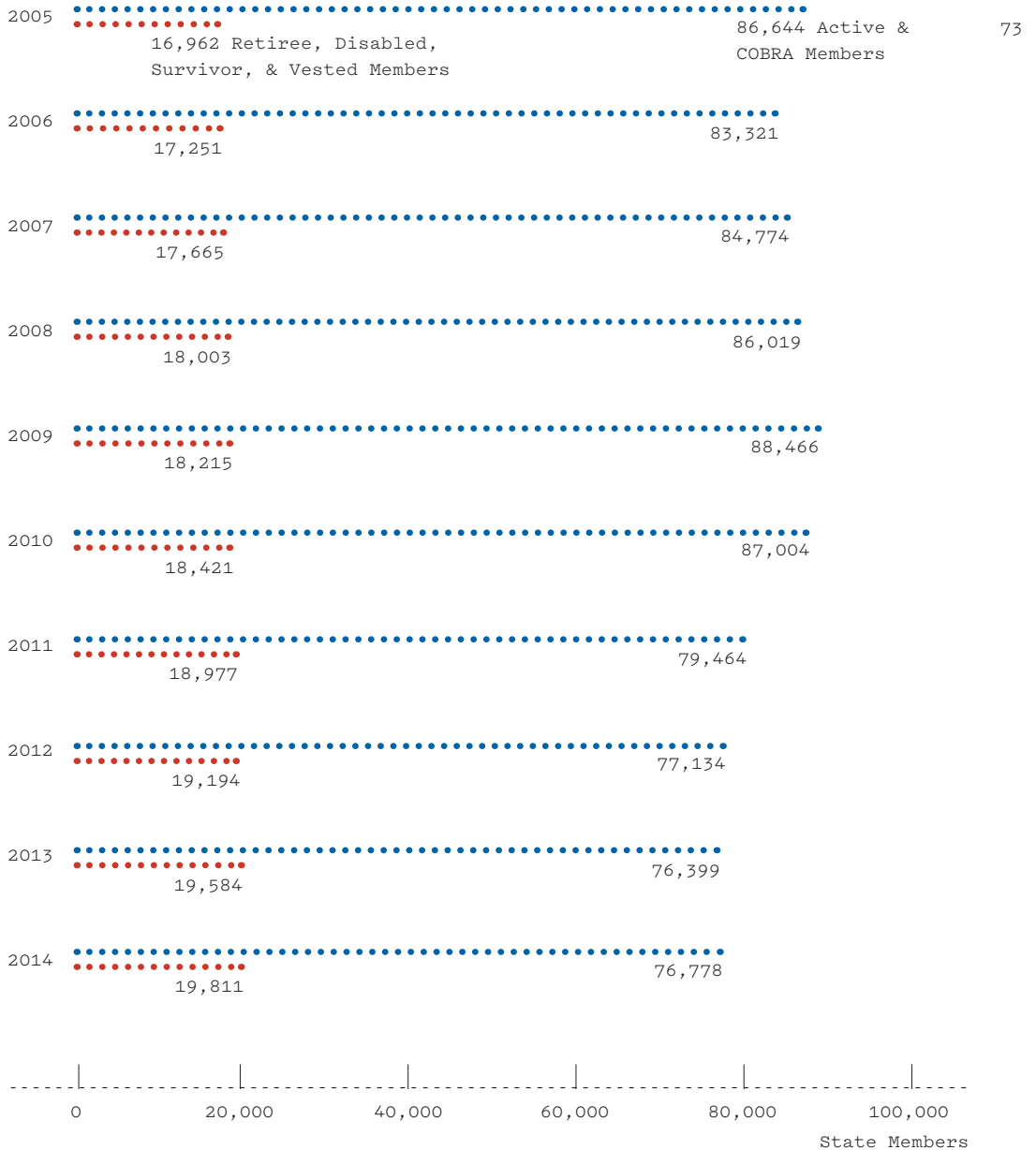
YEAR	Active	Retiree	COBRA	Disabled	Survivors	Vested	Total
2014	76,713	18,630	65	167	855	159	96,589
2013	76,288	18,361	111	205	847	171	95,983
2012	77,069	17,937	111	221	867	169	96,374
2011	79,317	17,682	147	258	872	165	98,441
2010	86,744	17,122	260	271	857	171	105,425
2009	88,277	16,802	189	351	852	210	106,681
2008	85,884	16,538	135	390	821	254	104,022
2007	84,585	16,154	189	424	820	267	102,439
2006	83,129	15,668	192	466	819	298	100,572
2005	86,459	15,351	185	515	800	296	103,606

ENROLLMENT
DISTRIBUTION

State Membership,
Ten years ended June 30, 2014

SUMMARY Total Lives: 96,589 Average Age: 39.9 years Female: 57% Male: 43%

Year



PUBLIC ENTITY MEMBERSHIP
ENROLLED IN MCHCP

Subscribers & Dependents
as of June 30, 2014

AGE	Active		Retirees		COBRA		<u>Total</u>
	Female	Male	F	M	F	M	All
< 1	2	7	-	-	-	-	9
1 - 10	37	29	-	-	-	-	66
11 - 19	40	39	-	-	-	-	79
20 - 24	35	44	-	-	-	-	79
25 - 29	35	50	-	-	-	-	85
30 - 34	45	50	-	-	-	-	95
35 - 39	53	39	-	-	-	-	92
40 - 44	63	48	-	-	-	-	111
45 - 49	71	37	-	-	-	-	108
50 - 54	90	61	-	-	-	-	151
55 - 59	97	55	1	-	-	-	153
60 - 64	71	49	5	2	-	2	129
65 - 69	23	15	1	-	-	-	39
70 - 74	3	5	1	-	-	-	9
75 - 79	1	2	2	2	-	-	7
80+	-	1	-	-	-	-	1
SUBTOTAL	666	531	10	4	-	2	-
<u>TOTAL</u>	<u>1,197</u>		<u>14</u>		<u>2</u>		<u>1,213</u>

ENROLLMENT
HISTORY

Public Entity Membership,
Ten years ended June 30, 2014

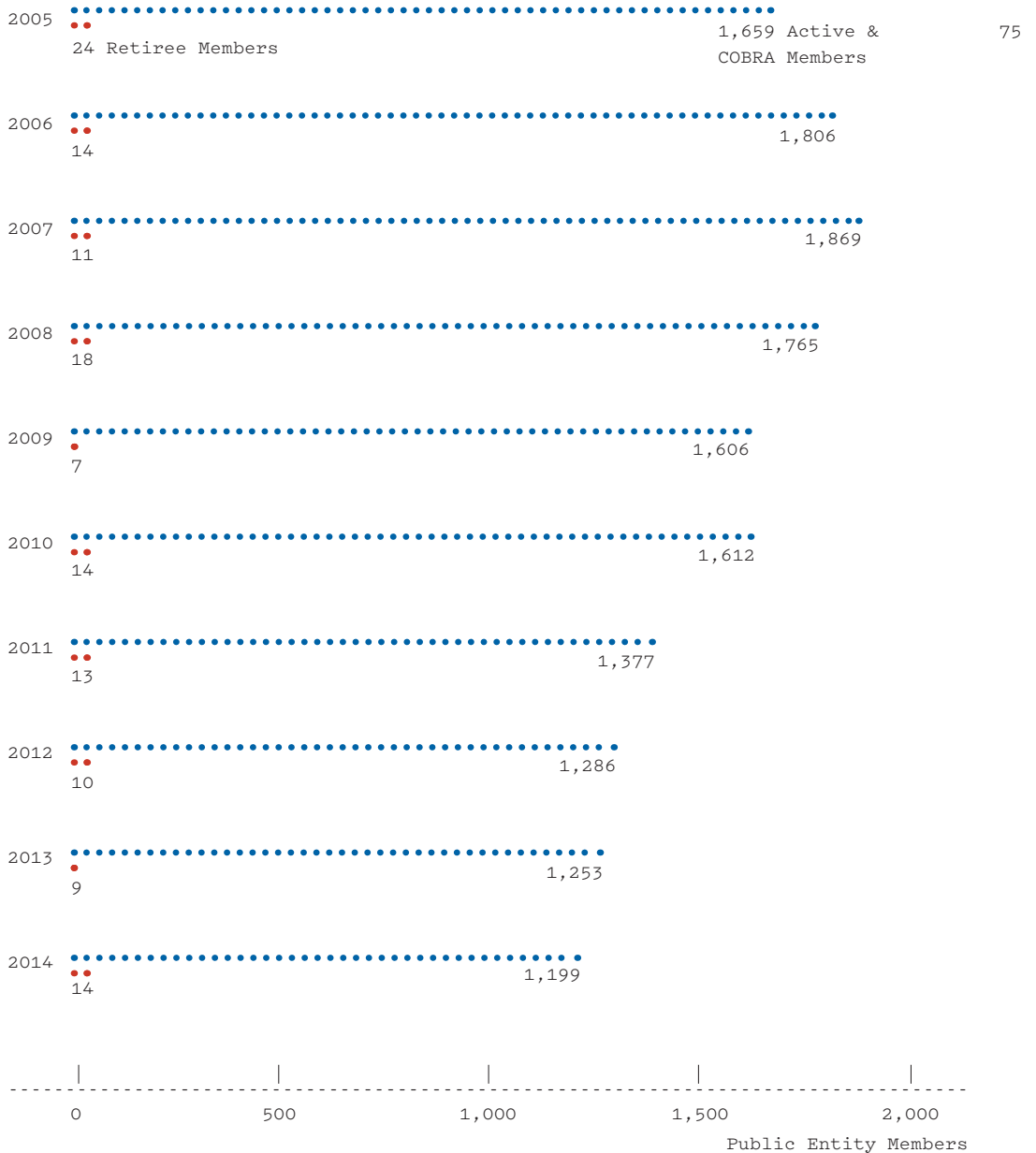
YEAR	Active	Retirees	COBRA	<u>Total</u>
2014	1,197	14	2	1,213
2013	1,244	9	9	1,262
2012	1,277	10	9	1,296
2011	1,365	13	12	1,390
2010	1,596	14	16	1,626
2009	1,590	7	16	1,613
2008	1,752	18	13	1,783
2007	1,851	11	18	1,880
2006	1,795	14	11	1,820
2005	1,654	24	5	1,683

ENROLLMENT
DISTRIBUTION

Public Entity Membership,
Ten years ended June 30, 2014

SUMMARY Total Lives: 1,213 Average Age: 41.4 years Female: 56% Male: 44%

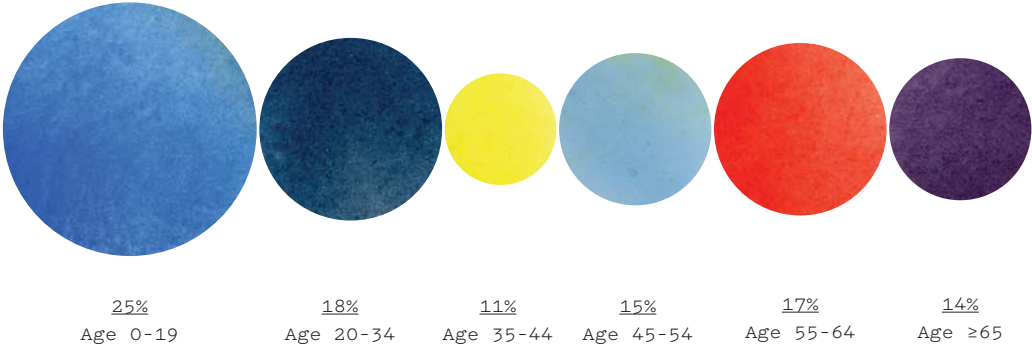
Year



PLAN
DEMOGRAPHICS

State Membership,
Fiscal year 2014

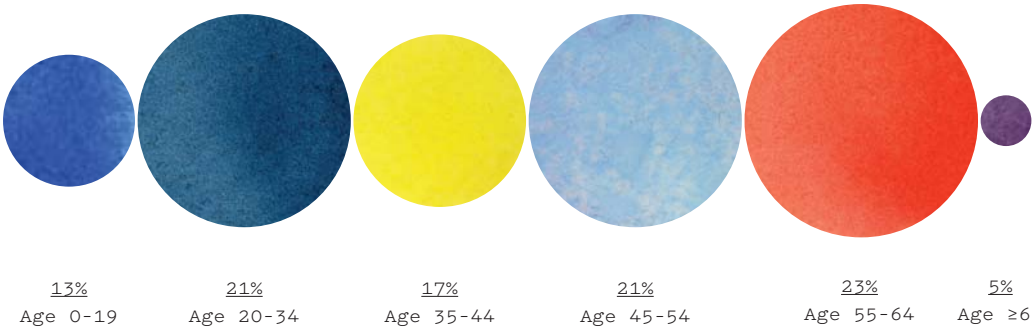
76



SUMMARY Total Lives: 95,589 Average Age: 39.9 years Female: 57% Male: 43%

PLAN
DEMOGRAPHICS

Public Entity Membership,
Fiscal year 2014



SUMMARY Total Lives: 1,213 Average Age: 41.4 years Female: 56% Male: 44%

MISSOURI CONSOLIDATED
HEALTH CARE PLAN



www.mchcp.org
800-701-8881

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PO Box 104355
Jefferson City, MO 65110

